



Dave Yost • Auditor of State



**GERMAN TOWNSHIP  
MONTGOMERY COUNTY  
DECEMBER 31, 2017 AND 2016**

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

German Township  
Montgomery County  
12102 State Route 725 West  
Germantown, Ohio 45327

To the Board of 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 German Township, Montgomery County, Ohio (the Township) as of and for the years ended December 31, 2017 and 2016.

### ***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 such 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 2 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, 2017 and 2016, and the respective 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 cash balances, receipts and disbursements by fund type, and related notes of German Township, Montgomery County as of December 31, 2017 and 2016, and 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 2.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 21, 2018, 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.



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

August 21, 2018

**GERMAN TOWNSHIP  
MONTGOMERY COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Permanent</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$29,879	\$1,874,741			\$1,904,620
Charges for Services		218,426			218,426
Licenses, Permits and Fees	15,392				15,392
Fines and Forfeitures	2,788	25			2,813
Intergovernmental	31,547	223,056	36,268		290,871
Special Assessments		13,128			13,128
Earnings on Investments	3,810	415		48	4,273
Rent	18,000				18,000
Miscellaneous	1,733	39,363			41,096
<i>Total Cash Receipts</i>	<u>103,149</u>	<u>2,369,154</u>	<u>36,268</u>	<u>48</u>	<u>2,508,619</u>
<b>Cash Disbursements</b>					
Current:					
General Government	93,629	131,391			225,020
Public Safety	17,011	1,253,287			1,270,298
Public Works	125	650,510			650,635
Health		1,520		21	1,541
Conservation-Recreation		261,789			261,789
Capital Outlay		143,386	36,268		179,654
Debt Service:					
Principal Retirement	17,320				17,320
Interest and Fiscal Charges	3,295				3,295
<i>Total Cash Disbursements</i>	<u>131,380</u>	<u>2,441,883</u>	<u>36,268</u>	<u>21</u>	<u>2,609,552</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(28,231)</u>	<u>(72,729)</u>	<u>0</u>	<u>27</u>	<u>(100,933)</u>
<b>Other Financing Receipts (Disbursements)</b>					
Proceeds of Loan		91,387			91,387
Sale of Capital Assets		19,356			19,356
Repayment of Loan	20,000				20,000
Advances In	17,500	17,500			35,000
Advances Out	(17,500)	(17,500)			(35,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>20,000</u>	<u>110,743</u>	<u>0</u>	<u>0</u>	<u>130,743</u>
<i>Net Change in Fund Cash Balances</i>	<u>(8,231)</u>	<u>38,014</u>	<u>0</u>	<u>27</u>	<u>29,810</u>
<i>Fund Cash Balances, January 1</i>	<u>53,505</u>	<u>564,479</u>	<u>25,598</u>	<u>5,325</u>	<u>648,907</u>
<b>Fund Cash Balances, December 31</b>					
Nonspendable				5,000	5,000
Restricted		390,708	25,598	352	416,658
Committed		211,785			211,785
Assigned	22,120				22,120
Unassigned	23,154				23,154
<i>Fund Cash Balances, December 31</i>	<u>\$45,274</u>	<u>\$602,493</u>	<u>\$25,598</u>	<u>\$5,352</u>	<u>\$678,717</u>

See accompanying notes to the basic financial statements

GERMAN TOWNSHIP  
MONTGOMERY COUNTY

STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGE IN FUND BALANCE (CASH BASIS)  
FIDUCIARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2017

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	<u>Private Purpose Trust</u>
<b>Operating Cash Receipts</b>	
Earnings on Investments	\$333
<i>Total Operating Cash Receipts</i>	<u>333</u>
<i>Operating Income</i>	<u>333</u>
<i>Net Change in Fund Cash Balance</i>	333
<i>Fund Cash Balance, January 1</i>	<u>36,992</u>
<i>Fund Cash Balance, December 31</i>	<u><u>\$37,325</u></u>

*See accompanying notes to the basic financial statements*



**German Township**  
*Montgomery County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the German Township, Montgomery 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, and police protection. The Township contracts with the City of Germantown to provide fire and ambulance services.

Additionally, the Township has levies which provide for the funding of a public swimming pool, a senior citizens center and parks and recreation.

***Public Entity Risk Pool***

The Township participates in a public entity risk pool. Note 6 to the financial statements provides additional information for this entity.

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

**Note 2 - Summary of Significant Accounting Policies**

***Basis of Presentation***

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for the fiduciary fund type which is organized on a fund type basis.

***Fund Accounting***

The Township uses funds 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. The funds of the Township are presented below:

***General Fund*** The general fund accounts for and reports all financial resources not accounted for and reported 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.

***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:

***Gas Tax Fund*** The gas tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

***Motor Vehicle License Tax Fund*** The motor vehicle license tax fund accounts for and reports that portion of motor vehicle license registration fees restricted for maintenance and repair of roads within the Township.

**German Township**  
*Montgomery County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

**Road and Bridge Fund** The road and bridge fund accounts for and reports property tax money committed for constructing, maintaining and repairing Township roads and bridges.

**Garbage & Waste Disposal District** The garbage and waste disposal district fund accounts for and reports charge for services from Township citizens for their garbage pickup.

**Police District** The police district fund accounts for and reports property tax money restricted to provide police protection for Township residents.

**Fire Fund** The fire fund accounts for and reports property tax money restricted to pay for fire protection for Township residents.

**Capital Project Funds** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant capital project fund:

**ED/GE Grant Fund** The Township received a grant on behalf of a local business to allow the business to build and expand within the Township. All funds received by the Township are restricted to be paid to that business.

**Permanent Funds** 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:

**Sunbury Cemetery Bequest Fund** – The fund is used to account for the resources restricted by legally binding trust agreements. This trust fund is maintained in perpetuity, and investment earnings are used for the upkeep of the cemetery.

**Fiduciary Funds** Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Township's own programs. The Township had the following private purpose trust fund:

**W.K. Fouts Trust** – This fund is used to account for resources restricted by a legally binding trust agreement. The investment earnings of this fund are used for needy children.

***Basis of Accounting***

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).

**German Township**  
*Montgomery County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

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.

***Budgetary Process***

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

***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.

***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.

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

A summary of 2017 budgetary activity appears in Note 3.

***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.

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

***Capital Assets***

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

***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.

**German Township**  
*Montgomery County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

***Fund Balance***

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

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

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

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

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

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

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

**German Township**  
*Montgomery County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2017 follows:

2017 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$124,346	\$140,649	\$16,303
Special Revenue	2,458,741	2,497,397	38,656
Capital Projects	45,000	36,268	(8,732)
Permanent	3	48	45
Fiduciary	15	333	318
Total	\$2,628,105	\$2,674,695	\$46,590

2017 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$174,202	\$148,880	\$25,322
Special Revenue	2,664,722	2,464,747	199,975
Capital Projects	45,000	36,268	8,732
Permanent	308	21	287
Fiduciary	22	22	22
Total	\$2,884,254	\$2,649,916	\$234,338

**Note 4 – Deposits and Investments**

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

	2017
Demand deposits	\$321,156
Total deposits	321,156
STAR Ohio	394,886
Total investments	394,886
Total deposits and investments	\$716,042

***Deposits***

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

**German Township**  
*Montgomery County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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**Note 4 – Deposits and Investments (Continued)**

***Investments***

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

**Note 5 – Property Taxes**

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.

**Note 6 - Risk Management**

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

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

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. York Risk Pooling Services, Inc. (formally known as American Risk Pooling Consultants, Inc.) (York or Management), functions as the administrator of the Pool and provides underwriting claims, loss control, risk management, and reinsurance services for the Pool. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2017, OTARMA retained \$350,000 for casualty claims and \$250,000 for property claims.

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

**German Township**  
*Montgomery County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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**Note 6 - Risk Management (Continued)**

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, 2017.

	<b>2017</b>
Assets	\$40,010,732
Liabilities	8,675,465
Net Position	\$31,335,267

At December 31, 2017 the liabilities above include approximately \$8.0 million of estimated incurred claims payable. The assets above also include approximately \$6.9 million of unpaid claims to be billed to approximately 1,016 member governments in the future, as of December 31, 2017. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2017, the Township's share of these unpaid claims collectible in future years is approximately \$9,000.

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

<b><u>2017 Contributions to OTARMA</u></b> \$21,069
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After one year of membership, a member may withdraw on the anniversary of the date of joining OTARMA, if the member notifies OTARMA in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

**Note 7 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

**German Township**  
*Montgomery County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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**Note 7 - Defined Benefit Pension Plans (Continued)**

The Ohio Revised Code also prescribes contribution rates. Non-law enforcement OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants' gross salaries. The employee and employer contributions for law enforcement personnel were 13% and 18.10%, respectively. The Township has paid all contributions required through December 31, 2017.

**Note 8 – Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2017.

**Note 9 – Debt**

Debt outstanding at December 31, 2017, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Valley View Water & Sewer District Debt	\$151,701	2%
Ohio Infrastructure Bank Loan	91,387	3%
Total	<u>\$243,088</u>	

Due to a court order effective December 31, 2015, the Township was forced to assume a portion of the outstanding debt of the Valley View Water and Sewer District. The total of the debt assigned to the Township was \$186,000 at a rate of 2% per annum.

During 2017, the Township obtained a loan of \$91,387 to pay for repaving of Eby Road. The loan was obtained through the Ohio Infrastructure Bank. There is no interest for the first twelve months of the loan. The interest rate is 3% per annum after that. There is no amortization schedule currently available for this loan as it is not finalized.



**German Township**  
*Montgomery County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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**Note 9 – Debt (Continued)**

***Amortization***

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

Year Ending December 31:	Valley View Water & Sewer Debt
2018	\$20,615
2019	20,614
2020	20,615
2021	20,615
2022	20,614
2023-2025	61,843
Total	<u><u>\$164,916</u></u>

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**GERMAN TOWNSHIP  
MONTGOMERY COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Permanent</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$27,824	\$1,521,829			\$1,549,653
Charges for Services		226,716			226,716
Licenses, Permits and Fees	12,866				12,866
Fines and Forfeitures	2,370				2,370
Intergovernmental	33,316	417,981			451,297
Special Assessments	236	2,634			2,870
Earnings on Investments	2,251	119		13	2,383
Rent	18,000				18,000
Miscellaneous	1,535	3,422			4,957
<i>Total Cash Receipts</i>	<u>98,398</u>	<u>2,172,701</u>	<u>0</u>	<u>13</u>	<u>2,271,112</u>
<b>Cash Disbursements</b>					
Current:					
General Government	97,817	160,339			258,156
Public Safety	17,188	1,222,933			1,240,121
Public Works	1,397	600,879			602,276
Health		23,985			23,985
Conservation-Recreation		210,520			210,520
Capital Outlay		86,464			86,464
Debt Service:					
Principal Retirement	16,979				16,979
Interest and Fiscal Charges	3,636				3,636
<i>Total Cash Disbursements</i>	<u>137,017</u>	<u>2,305,120</u>	<u>0</u>	<u>0</u>	<u>2,442,137</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(38,619)</u>	<u>(132,419)</u>	<u>0</u>	<u>13</u>	<u>(171,025)</u>
<b>Other Financing Receipts (Disbursements)</b>					
Sale of Capital Assets		1,774			1,774
Repayment of Loan	20,000				20,000
<i>Total Other Financing Receipts (Disbursements)</i>	<u>20,000</u>	<u>1,774</u>	<u>0</u>	<u>0</u>	<u>21,774</u>
<i>Net Change in Fund Cash Balances</i>	<u>(18,619)</u>	<u>(130,645)</u>	<u>0</u>	<u>13</u>	<u>(149,251)</u>
<i>Fund Cash Balances, January 1</i>	<u>72,124</u>	<u>695,124</u>	<u>25,598</u>	<u>5,312</u>	<u>798,158</u>
<b>Fund Cash Balances, December 31</b>					
Nonspendable				5,000	5,000
Restricted		314,406	25,598	325	340,329
Committed		250,073			250,073
Assigned	49,564				49,564
Unassigned	3,941				3,941
<i>Fund Cash Balances, December 31</i>	<u>\$53,505</u>	<u>\$564,479</u>	<u>\$25,598</u>	<u>\$5,325</u>	<u>\$648,907</u>

See accompanying notes to the basic financial statements

GERMAN TOWNSHIP  
MONTGOMERY COUNTY

STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGE IN FUND BALANCE (CASH BASIS)  
FIDUCIARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2016

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	<u>Private Purpose Trust</u>
<b>Operating Cash Receipts</b>	
Earnings on Investments	\$89
<i>Total Operating Cash Receipts</i>	<u>89</u>
<i>Operating Income</i>	<u>89</u>
<i>Net Change in Fund Cash Balance</i>	89
<i>Fund Cash Balance, January 1</i>	<u>36,903</u>
<i>Fund Cash Balance, December 31</i>	<u><u>\$36,992</u></u>

*See accompanying notes to the basic financial statements*

**German Township**  
*Montgomery County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

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**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the German Township, Montgomery 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, and police protection. The Township contracts with the City of Germantown to provide fire and ambulance services.

Additionally, the Township has levies which provide for the funding of a public swimming pool, a senior citizens center and parks and recreation.

***Public Entity Risk Pools***

The Township participates in a public entity risk pool. Note 6 to the financial statements provides additional information for this entity.

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

**Note 2 - Summary of Significant Accounting Policies**

***Basis of Presentation***

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for the fiduciary fund type which is organized on a fund type basis.

***Fund Accounting***

The Township uses funds 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. The funds of the Township are presented below:

***General Fund*** The general fund accounts for and reports all financial resources not accounted for and reported 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.

***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:

***Gas Tax Fund*** The gas tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

***Motor Vehicle License Tax Fund*** The motor vehicle license tax fund accounts for and reports that portion of motor vehicle license registration fees restricted for maintenance and repair of roads within the Township.

**German Township**  
*Montgomery County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

**Road and Bridge Fund** The road and bridge fund accounts for and reports property tax money committed for constructing, maintaining and repairing Township roads and bridges.

**Garbage & Waste Disposal District** The garbage and waste disposal district fund accounts for and reports charge for services from Township citizens for their garbage pickup.

**Police District** The police district fund accounts for and reports property tax money restricted to provide police protection for Township residents.

**Fire Fund** The fire fund accounts for and reports property tax money restricted to pay for fire protection for Township residents.

**Capital Project Funds** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant capital project funds:

**Friend Rd. Issue II Fund** The Township received a grant from the State for capital improvements. The proceeds are restricted for capital improvement.

**ED/GE Grant Fund** The Township received a grant on behalf of a local business to allow the business to build and expand within the Township. All funds received by the Township are restricted to be paid to that business.

**Permanent Funds** 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:

**Sunbury Cemetery Bequest Fund** – The fund is used to account for the resources restricted by legally binding trust agreements. This trust fund is maintained in perpetuity, and investment earnings are used for the upkeep of the cemetery.

**Fiduciary Funds** Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Township's own programs. The Township had the following private purpose trust fund:

**W.K. Fouts Trust** – This fund is used to account for resources restricted by a legally binding trust agreement. The investment earnings of this fund are used for needy children.

**German Township**  
*Montgomery County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

***Basis of Accounting***

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.

***Budgetary Process***

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

***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.

***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.

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

A summary of 2016 budgetary activity appears in Note 3.

***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.

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

***Capital Assets***

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

**German Township**  
*Montgomery County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

***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.

***Fund Balance***

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

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

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

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

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

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

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



**German Township**  
*Montgomery County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2016 follows:

2016 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$121,400	\$118,398	(\$3,002)
Special Revenue	2,106,273	2,174,475	68,202
Capital Projects	1		(1)
Permanent	3	13	10
Fiduciary	15	89	74
Total	\$2,227,692	\$2,292,975	\$65,283

2016 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$174,923	\$139,994	\$34,929
Special Revenue	2,603,323	2,305,222	298,101
Capital Projects	25,598		25,598
Permanent	308		308
Fiduciary	22		22
Total	\$2,804,174	\$2,445,216	\$358,958

**Note 4 – Deposits and Investments**

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

Demand deposits	2016 \$295,202
Total deposits	295,202
STAR Ohio	390,697
Total investments	390,697
Total deposits and investments	\$685,899

***Deposits***

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

**German Township**  
*Montgomery County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

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**Note 4 – Deposits and Investments (Continued)**

***Investments***

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

**Note 5 – Property Taxes**

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.

**Note 6 - Risk Management**

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

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

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. York Risk Pooling Services, Inc. (formally known as American Risk Pooling Consultants, Inc.) (York or Management), functions as the administrator of the Pool and provides underwriting claims, loss control, risk management, and reinsurance services for the Pool. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2016, OTARMA retained \$350,000 for casualty claims and \$250,000 for property claims.

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

**German Township**  
*Montgomery County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

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**Note 6 - Risk Management (Continued)**

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, 2016.

	<b>2016</b>
Assets	\$38,473,283
Liabilities	8,244,140
Net Position	\$30,229,143

At December 31, 2016 the liabilities above include approximately \$7.4 million of estimated incurred claims payable. The assets above also include approximately \$6.9 million of unpaid claims to be billed to approximately 1,010 member governments in the future, as of December 31, 2016. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2016, the Township's share of these unpaid claims collectible in future years is approximately \$10,000.

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

<b><u>2016 Contributions to OTARMA</u></b> \$21,367
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After one year of membership, a member may withdraw on the anniversary of the date of joining OTARMA, if the member notifies OTARMA in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

**Note 7 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

**German Township**  
*Montgomery County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

**Note 7 - Defined Benefit Pension Plans (Continued)**

The Ohio Revised Code also prescribes contribution rates. Non-law enforcement OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants' gross salaries. The employee and employer contributions for law enforcement personnel were 13% and 18.10%, respectively. The Township has paid all contributions required through December 31, 2016.

**Note 8 – Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 2.0 percent during calendar year 2016.

**Note 9 – Debt**

Debt outstanding at December 31, 2016, was as follows:

	Principal	Interest Rate
Valley View Water & Sewer District Debt	\$169,021	2%
Total	\$169,021	

Due to a court order effective December 31, 2015, the Township was forced to assume a portion of the outstanding debt of the Valley View Water and Sewer District. The total of the debt assigned to the Township was \$186,000 at a rate of 2% per annum.

***Amortization***

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

Year Ending December 31:	Valley View Water & Sewer Debt
2017	\$20,615
2018	20,615
2019	20,614
2020	20,615
2021	20,615
2022-2025	82,458
Total	\$185,532



# 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

German Township  
Montgomery County  
12102 State Route 725 West  
Germantown, Ohio 45327

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of German Township, Montgomery County, (the Township) as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements and have issued our report thereon dated August 21, 2018 wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

### ***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 2017-001 to be a material weakness.

One First National Plaza, 130 W. Second St., Suite 2040, Dayton, Ohio 45402  
Phone: 937-285-6677 or 800-443-9274 Fax: 937-285-6688

[www.ohioauditor.gov](http://www.ohioauditor.gov)

***Compliance and Other Matters***

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

***Purpose of this Report***

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

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

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

August 21, 2018

**GERMAN TOWNSHIP  
MONTGOMERY COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2017 AND 2016**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2017-001**

**Material Weakness – Financial Statement Errors**

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; 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 as discussed in AU-C Section 210 paragraphs .A14 & .A16.

The Township's financial statements for 2017 and 2016 contained the following errors which were identified as material and have been adjusted in the accompanying financial statements:

- In 2017 and 2016, the Township received \$20,000 from the Germantown Union Cemetery which represented payments for a loan issued by the Township to the Cemetery in 2009. The Township improperly classified these payments as intergovernmental receipts. As a result, the Township overstated intergovernmental receipts and understated other financing sources: repayment of loan by \$20,000 in 2017 and 2016 in the General fund.
- In December 2015, the Ohio Public Works Commission paid \$315,880 to a vendor on behalf of the Township. The Township improperly recorded the transaction in 2016. As a result, intergovernmental receipts and capital outlay disbursements were overstated by \$315,880 in 2016 in the Capital Projects funds.
- In 2017, the Township received loan proceeds of \$91,387 from the State Infrastructure Bank (SIB). The Township improperly classified the proceeds as intergovernmental receipts rather than other financing sources: proceeds of loan. As a result, intergovernmental receipts were overstated and other financing sources-proceeds of loan were understated by \$91,387 in 2017 in the Special Revenue funds.
- In 2015, the Township was ordered to pay a portion of the outstanding debt of the Valley View Water and Sewer District when it was dissolved. The Township improperly classified payments for this debt as general government disbursements during 2017 and 2016. As a result, debt service: principal and debt service: interest were understated by \$17,320 and \$3,295, respectively, and general government disbursements were overstated by \$20,615 in 2017 in the General fund. Additionally, debt service: principal and debt service: interest were understated by \$16,979 and \$3,636, respectively, and general government disbursements were overstated by \$20,615 in 2016 in the General fund.
- In 2017 and 2016, the Township received water tower lease receipts from the State of Ohio and improperly classified those receipts as miscellaneous. As a result, miscellaneous receipts were overstated and rent receipts were understated by \$18,000 in 2017 and 2016 in the General Fund.
- **Governmental Accounting Standards Board (GASB) Statement No. 54, paragraph 16 (GASB Codification 1800.176) and Auditor of State Bulletin 2011-004** states, in part, 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 did not properly classify the amount by which subsequent year appropriations exceeded estimated receipts in the General fund at year-end. As a result, General fund assigned balance was understated and unassigned balance was overstated by \$22,120 and \$49,564 for 2017 and 2016, respectively.

**FINDING NUMBER 2017-001  
(Continued)**

- **GASB Statement No. 54, paragraph 10 (GASB Codification 1800.170) and Auditor of State Bulletin 2011-004** states, in part, committed fund balance amounts are internally imposed by the governing body. Committed fund balance should also incorporate contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. The Township's Road and Bridge and Garbage and Waste Disposal funds meet the requirements to be classified as committed but were improperly classified as restricted. As a result, Special Revenue fund committed balance was understated and restricted balance was overstated by \$202,511 and \$247,287 in 2017 and 2016, respectively.

The Township should develop and implement procedures to verify the accuracy of amounts reported in the financial statements in accordance with applicable accounting standards. Failure to do so could result in the users of the financial statements basing their conclusions on materially misstated financial data.

**Officials' Response**

We did not receive a response from Officials to this finding.





# Dave Yost • Auditor of State

**GERMAN TOWNSHIP**

**MONTGOMERY 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  
SEPTEMBER, 11 2018**