



**GREEN TOWNSHIP
CLARK COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

**GREEN TOWNSHIP
CLARK COUNTY
DECEMBER 31, 2023 AND 2022**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Green Township
Clark County
4163 East Pitchin Road
Springfield, Ohio 45502

To the Board of Trustees:

Report on the Audit of the Financial Statements

Unmodified, Qualified, and Adverse Opinions

We have audited the financial statements of Green Township, Clark County, Ohio (the Township), which comprises the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for the general and special revenue funds as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Additional Opinion Qualification on Regulatory Basis of Accounting

In our opinion, except for the possible effects of the matter described in the *Basis for Additional Opinion Qualification* section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for the permanent fund as of and for the years ended December 31, 2023 and 2022, and the related notes of Green Township, Clark County in accordance with the financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(C) permit, described in Note 2.

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* section of our report, the accompanying financial statements 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, 2023 and 2022, or the changes in financial position thereof for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Township, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Additional Opinion Qualification

We were unable to obtain sufficient appropriate audit evidence supporting the balance of the Township's permanent fund of \$3,374 and \$3,373 as of December 31, 2023 and 2022, respectively. We were not able to determine whether these amounts were bequeathed to hold in perpetuity or whether the Township should have recorded these bequests as donations in the Township's cemetery fund in the combined special revenue fund type. Consequently, we were not able to determine whether any adjustments to these amounts were necessary.

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

As described in Note 2 of the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we


- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2025 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's 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.

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

June 5, 2025

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**Green Township
Clark County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2023**

	General	Special Revenue	Permanent	Combined Total
Cash Receipts				
Property and Other Local Taxes	\$19,430	\$702,880		\$722,310
Charges for Services		39,711		39,711
Licenses, Permits and Fees		3,550		3,550
Intergovernmental	22,397	741,520		763,917
Earnings on Investments	21,130	20,998	\$1	42,129
Miscellaneous	79	8,211		8,290
<i>Total Cash Receipts</i>	<u>63,036</u>	<u>1,516,870</u>	<u>1</u>	<u>1,579,907</u>
Cash Disbursements				
Current:				
General Government	29,894			29,894
Public Safety		480,787		480,787
Public Works		549,038		549,038
Health		7,773		7,773
Capital Outlay		63,076		63,076
Debt Service:				
Principal Retirement		35,573		35,573
Interest and Fiscal Charges		1,564		1,564
<i>Total Cash Disbursements</i>	<u>29,894</u>	<u>1,137,811</u>		<u>1,167,705</u>
<i>Excess of Receipts Over Disbursements</i>	<u>33,142</u>	<u>379,059</u>	<u>1</u>	<u>412,202</u>
Other Financing Receipts				
Other Debt Proceeds		58,010		58,010
<i>Total Other Financing Receipts</i>		<u>58,010</u>		<u>58,010</u>
Special Item	<u>1</u>			<u>1</u>
<i>Net Change in Fund Cash Balances</i>	<u>33,143</u>	<u>437,069</u>	<u>1</u>	<u>470,213</u>
<i>Fund Cash Balances, January 1</i>	<u>64,969</u>	<u>1,189,366</u>	<u>3,373</u>	<u>1,257,708</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$98,112</u></u>	<u><u>\$1,626,435</u></u>	<u><u>\$3,374</u></u>	<u><u>\$1,727,921</u></u>

See accompanying notes to the financial statements

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**Green Township
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2023**

Note 1 – Reporting 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.

Joint Ventures and Public Entity Risk Pools

The Township participates in one public entity risk pool and one joint venture. Notes 6 and 10 to the financial statements provide additional information for these entities.

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 Venture:

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 Hustead Fire and EMS.

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, which are 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:

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

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.

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

**Green Township
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2023**

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

Emergency Medical Services Fund - The emergency medical services fund receives property tax money, grant revenue, and charges for services to provide emergency medical services.

Fire and Rescue Ambulance Emergency Medical Services Fund - The fire and rescue ambulance emergency medical services fund receives property tax money and grant revenue for operations and maintenance of the joint fire house.

Permanent Funds - This fund accounts for and reports resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the Township's programs (for the benefit of the Township or its citizenry). The Township had the following significant permanent fund:

Cemetery Endowment Fund - The cemetery endowment fund accounts for and reports interest earned on the nonexpendable corpus from a trust agreement restricted for the general maintenance and upkeep of the Township's cemetery.

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 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Township 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 (C) 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 2023 budgetary activity appears in Note 3.

Deposits

The Township has only demand deposit accounts

**Green Township
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2023**

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

A Township employee earns sick and vacation time that can be used for time off. 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. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township and the nonspendable portion of the corpus in permanent funds.

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*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 11.

**Green Township
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2023**

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2023 follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$30,714	\$63,037	\$32,323
Special Revenue	1,354,645	1,574,880	220,235
Permanent		1	1
Total	<u>\$1,385,359</u>	<u>\$1,637,918</u>	<u>\$252,559</u>

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$66,653	\$29,933	\$36,720
Special Revenue	1,924,382	1,198,754	725,628
Total	<u>\$1,991,035</u>	<u>\$1,228,687</u>	<u>\$762,348</u>

Note 4 – Deposits

To improve cash management, cash received by the Township is pooled. Monies for all fund are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Township's deposit accounts are as follows:

	2023
<i>Cash Management Pool:</i>	
Demand deposits	\$1,727,921
Total deposits	<u>1,727,921</u>
<i>Total carrying amount of deposits held in the Pool</i>	<u>\$1,727,921</u>

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2023, the Township is holding \$3,177 in unremitted employee payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation.

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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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.

**Green Township
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2023**

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 belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a 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.

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and has remain unchanged. OPRM had 801 members as of December 31, 2023.

The Pool's audited financial statements conform with accounting principles generally accepted in the United States of America, with the exception of a qualified opinion related to recording premiums and membership fees earned in full as of December 31, 2023. Those premiums and fees should be earned pro-rata over the individual coverage and membership periods of each policy. The financial statements reported the following assets, liabilities and equity at December 31, 2023.

Assets	\$ 23,113,696
Liabilities	<u>(16,078,587)</u>
Members' Equity	<u>\$ 7,035,109</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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 health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2023.

Social Security

Two Township employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2023.

**Green Township
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2023**

Note 8 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

Note 9 – Debt

Debt outstanding at December 31, 2023, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Township Equipment Bonds, Series 2021	\$26,687	2.478%
City of Springfield Loan	58,010	5.000%
Total	<u>\$84,697</u>	

The Township issued Township equipment bonds in November of 2021 to finance the purchase of a new dump truck and plowing equipment for Township road maintenance. The bonds will be paid in annual installments at an interest rate of 2.478%, over a 5-year period and mature in November 2026.

The Township entered into an intergovernmental agreement in July of 2023 to receive a one time contribution from the City of Springfield for the resurfacing of Airpark Drive. The Township will reimburse the City the amount pledged in annual installments at an interest rate of 5%, over a 5-year period and matures in October 2028.

Amortization

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

Year Ending December 31:	Township Equipment Bonds	City of Springfield Loan
2024	\$9,348	\$13,399
2025	9,348	13,399
2026	9,348	13,399
2027		13,399
2028		13,398
Total	<u>\$28,044</u>	<u>\$66,994</u>

Note 10 – 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
For the Year Ended December 31, 2023**

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 firefighting and emergency medical services equipment. The agreement states in part that the funding for the operation of the two departments shall be appropriated equally between the two Townships.

Note 11 – Fund Balances

Included in fund balance are amounts the Township cannot spend, including the unexpendable corpus of the permanent fund. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Permanent</u>	<u>Total</u>
Nonspendable:				
Corpus			\$3,300	\$3,300
Outstanding Encumbrances	\$39	\$60,943		60,982
Total	<u>\$39</u>	<u>\$60,943</u>	<u>\$3,300</u>	<u>\$64,282</u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of the permanent fund that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 12 – Contingent Liabilities

Federal and State Grants

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 13 – Subsequent Event

The Township issued bonds to finance the purchase of a fire truck in January 2024. The bonds were issued in the amount of \$580,000, to be paid over 10 years with an interest rate of 5.2%.

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**Green Township
Clark County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2022**

	General	Special Revenue	Permanent	Combined Total
Cash Receipts				
Property and Other Local Taxes	\$14,482	\$624,280		\$638,762
Charges for Services		47,664		47,664
Licenses, Permits and Fees		1,475		1,475
Intergovernmental	21,655	512,257		533,912
Earnings on Investments	5,725	4,299	\$1	10,025
Miscellaneous	319	29,959		30,278
<i>Total Cash Receipts</i>	<u>42,181</u>	<u>1,219,934</u>	<u>1</u>	<u>1,262,116</u>
Cash Disbursements				
Current:				
General Government	39,330			39,330
Public Safety		493,600		493,600
Public Works		426,351		426,351
Health	1,500	7,570		9,070
Capital Outlay		38,107		38,107
Debt Service:				
Principal Retirement		38,569		38,569
Interest and Fiscal Charges		2,550		2,550
<i>Total Cash Disbursements</i>	<u>40,830</u>	<u>1,006,747</u>		<u>1,047,577</u>
<i>Excess of Receipts Over Disbursements</i>	<u>1,351</u>	<u>213,187</u>	<u>1</u>	<u>214,539</u>
Other Financing Receipts				
Sale of Capital Assets		4,409		4,409
<i>Total Other Financing Receipts</i>		<u>4,409</u>		<u>4,409</u>
Special Item	<u>98</u>			<u>98</u>
<i>Net Change in Fund Cash Balances</i>	<u>1,449</u>	<u>217,596</u>	<u>1</u>	<u>219,046</u>
<i>Fund Cash Balances, January 1</i>	<u>63,520</u>	<u>971,696</u>	<u>3,372</u>	<u>1,038,588</u>
<i>Fund Cash Balances, December 31</i>	<u>\$64,969</u>	<u>\$1,189,292</u>	<u>\$3,373</u>	<u>\$1,257,634</u>

See accompanying notes to the financial statements

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**Green Township
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2022**

Note 1 – Reporting 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.

Joint Ventures and Public Entity Risk Pools

The Township participates in one public entity risk pool and one joint venture. Notes 6 and 10 to the financial statements provide 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 Venture:

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

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, which are 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:

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

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.

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

**Green Township
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2022**

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

Emergency Medical Services Fund - The emergency medical services fund receives property tax money, grant revenue, and charges for services revenue to provide emergency medical services.

Fire and Rescue Ambulance Emergency Medical Services Fund - The fire and rescue ambulance emergency medical services fund receives property tax money and grant revenue for operations and maintenance of the joint fire house.

Permanent Fund - This fund accounts for and reports resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the Township's programs (for the benefit of the Township or its citizenry). The Township had the following permanent fund:

Cemetery Endowment Fund - The cemetery endowment fund accounts for and reports interest earned on the nonexpendable corpus from a trust agreement restricted for the general maintenance and upkeep of the Township's cemetery.

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 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Township 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 (C) 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 2022 budgetary activity appears in Note 3.

**Green Township
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2022**

Deposits

The Township has only demand deposit accounts.

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

A Township employee earns sick and vacation time that can be used for time off. In certain circumstances, such as upon leaving employment, the employee is 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. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township and the nonspendable portion of the corpus in permanent funds.

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*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 11.

**Green Township
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2022**

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$27,349	\$42,279	\$14,930
Special Revenue	1,009,494	1,224,343	214,849
Permanent		1	1
Total	<u>\$1,036,843</u>	<u>\$1,266,623</u>	<u>\$229,780</u>

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$87,334	\$40,998	\$46,336
Special Revenue	1,881,687	1,035,165	846,522
Total	<u>\$1,969,021</u>	<u>\$1,076,163</u>	<u>\$892,858</u>

Note 4 – Deposits

To improve cash management, cash received by the Township is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Township's deposit accounts are as follows:

	2022
<i>Cash Management Pool:</i>	
Demand deposits	\$1,257,634
Total deposits	<u>1,257,634</u>
<i>Total carrying amount of deposits held in the Pool</i>	<u><u>\$1,257,634</u></u>

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2022, the Township is holding \$4,542 in unremitted employee payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation.

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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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.

**Green Township
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2022**

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 belongs to the Ohio Plan Risk Management, Inc. (OPRM) (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.

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and has remain unchanged. OPRM had 773 members as of December 31, 2022.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2022.

Assets	\$ 21,662,291
Liabilities	<u>(18,158,351)</u>
Members' Equity	<u>\$ 3,503,940</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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 health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2022.

Social Security

Two Township employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2022.

**Green Township
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2022**

Note 8 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include 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 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2022.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

Note 9 – Debt

Debt outstanding at December 31, 2022, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Township Equipment Bonds, Series 2021	\$35,154	2.478%
Fire Equipment Bonds, Series 2016	27,106	2.520%
Total	<u>\$62,260</u>	

The Township issued fire equipment bonds in July of 2016 to finance the purchase of a new fire truck for the Township. The bonds will be paid in annual installments at an interest rate of 2.520%, over a 7-year period and mature in July 2023.

The Township issued Township equipment bonds in November of 2021 to finance the purchase of a new dump truck and plowing equipment for Township road maintenance. The bonds will be paid in annual installments at an interest rate of 2.478%, over a 5-year period and mature in November 2026.

Amortization

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

Year Ending December 31:	Fire Equipment Bonds	Township Equipment Bonds
2023	\$27,799	\$9,348
2024		9,348
2025		9,348
2026		9,348
Total	<u>\$27,799</u>	<u>\$37,392</u>

Note 10 – 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
For the Year Ended December 31, 2022**

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 firefighting and emergency medical services equipment. The agreement states in part that the funding for the operation of the two departments shall be appropriated equally between the two Townships.

Note 11 – Fund Balances

Included in fund balance are amounts the Township cannot spend, including the unexpendable corpus of the permanent fund. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Permanent</u>	<u>Total</u>
Nonspendable:				
Corpus			\$3,300	\$3,300
Outstanding Encumbrances	\$168	\$28,418		28,586
Total	<u>\$168</u>	<u>\$28,418</u>	<u>\$3,300</u>	<u>\$31,886</u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of the permanent fund that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 12 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency continued through 2022. During 2022, the Township received COVID-19 funding. The financial impact of COVID-19 and the continuing recovery measures may impact subsequent periods of the Township.

Note 13 – Contingent Liabilities

Federal and State Grants

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 14 – Subsequent Event

The Township issued bonds to finance the purchase of a fire truck in January 2024. The bonds were issued in the amount of \$580,000, to be paid over 10 years with an interest rate of 5.2%.

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OHIO AUDITOR OF STATE KEITH FABER



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

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
4163 East Pitchin Road
Springfield, Ohio 45502

To the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental fund type as of and for the years ended December 31, 2023 and 2022 and the related notes to the financial statements of Green Township, Clark County, Ohio (the Township) and have issued our report thereon dated June 5, 2025, wherein we noted the Township followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. We qualified our opinion on the cash balances of the permanent fund as of December 31, 2023 and 2022 because we were not able to obtain sufficient appropriate audit evidence to determine if the Township's permanent funds of \$3,374 and \$3,373 as of December 31, 2023 and 2022, respectively, were properly presented.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and corrected, on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as items 2023-001 and 2023-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2023-003.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

June 5, 2025

**GREEN TOWNSHIP
CLARK COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2023-001

Material Weakness – Permanent Fund

GASB Cod. 1800 paragraphs .166-.168 require amounts that are required to be retained in perpetuity like corpus or (principal) of a permanent fund to be classified as nonspendable. Additionally, GASB Cod. 1300.108 defines Permanent Funds as, *Permanent funds* should be used to 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—that is, for the benefit of the government or its citizenry. Permanent funds do not include private-purpose trust funds (defined in paragraph .114), which should be used to report situations in which the government is required to use the principal or earnings for the benefit of individuals, private organizations, or other governments.

The Township presented a cemetery endowment fund as a permanent fund with interest earnings and no disbursements during the period, but did not maintain original trust agreements to support the amount required to be retained in perpetuity and therefore the fund / account classification for financial reporting. Due to the lack of documentation, we were unable to obtain sufficient audit evidence to support the activity and fund cash balances reported in the permanent fund.

The fund represented 100% of the permanent fund cash balance, with adjusted fund cash balances of \$3,374 and \$3,373 at December 31, 2023 and 2022, respectively. Without the original trust agreement(s), it is not possible to determine whether the fund should be presented as a permanent fund, private purpose trust fund, special revenue fund, or custodial fund. The inability to determine if this activity and fund balance was properly reported resulted in a modified opinion on the Township's financial statements.

The Township should consult their legal counsel to determine how to proceed with the classification of these funds. This would allow the Township to utilize restricted resources for the purpose they were donated. Failure to do so could also result in modified audit opinions in future engagements. For any new trust funds received, the Township should retain copies of the documentation establishing these trust funds to identify the original principal and purpose of each trust. In addition, the Township would be able to identify whether or not the principal must be maintained in perpetuity and whether or not the trust is to benefit the Township or other organizations, governments, or individuals. Furthermore, the Township should review Governmental Accounting Standards Board (GASB) 1300 (GASB 54 codification), Auditor of State Bulletin 2011-004, and Auditor of State Bulletin 2020-003 (GASB 84 bulletin) for fund classification guidance.

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

FINDING NUMBER 2023-002

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 following financial statement errors were identified and adjusted on the financial statements:

FINDING NUMBER 2023-002
(Continued)

- During 2022, the Township incorrectly allocated interest from certain bank accounts to the permanent fund despite the permanent fund having no money in those bank accounts. As a result, earnings on investments receipts and fund cash balance were overstated in the permanent fund in the amount of \$27. Additionally, earnings on investments receipts and fund cash balance were understated in the general fund in the amount of \$6. Furthermore, earnings on investments receipts and fund cash balances were understated in the motor vehicle license tax fund, gasoline tax fund, and permissive motor vehicle license tax fund (special revenue funds) in the amounts of \$5, \$14, and \$2, respectively.
- During 2023, the Township incorrectly recorded debt proceeds as intergovernmental receipts in the gas tax fund. As a result, intergovernmental receipts were overstated by \$58,010 and other debt proceeds were understated by \$58,010 in the special revenue fund.
- During 2023, the Township incorrectly allocated interest from certain bank accounts to the permanent fund despite the permanent fund having no money in those bank accounts. As a result, earnings on investments receipts and fund cash balance were overstated in the permanent fund in the amount of \$75. Additionally, earnings on investments receipts and fund cash balance were understated in the general fund in the amount of \$17. Furthermore, earnings on investments receipts and fund cash balances were understated in the motor vehicle license tax fund, gasoline tax fund, and permissive motor vehicle license tax fund (special revenue funds) in the amounts of \$14, \$39, and \$5, respectively.
- The Township incorrectly allocated interest from certain bank accounts to the permanent fund in a previous year(s). As a result, beginning cash balance in 2022 was overstated in the permanent fund in the amount of \$161. Additionally, beginning fund balance in 2022 was understated in the general fund in the amount of \$36. Furthermore, beginning cash balances were understated in 2022 in the motor vehicle license tax fund, gasoline tax fund, and permissive motor vehicle license tax fund (special revenue funds) in the amounts of \$30, \$84, and \$11, respectively.

The Township's accounting system has been updated to reduce the permanent fund balance by \$263 so that the applicable bank balances agree to the accounting system fund balance.

There were also unadjusted financial statement errors related to the incorrect allocation of earnings on investments receipts impacting five individual funds ranging in the amounts of \$382 to \$5,510.

The above issues were caused by the Township's lack of controls related to recording Township revenues to the proper fund and/or account.

Failure to record Township revenue to the proper fund and/or account could result in the users of the financial statements basing their conclusions on materially misstated financial data.

The Township should establish and implement procedures to verify that all revenues are recorded to the proper fund and/or account.

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

FINDING NUMBER 2023-003

Noncompliance

Ohio Rev. Code § 135.21 states, in part, that investment earnings, except as otherwise expressly provided in §135.351 of the Revised Code and by resolution adopted pursuant to § 3315.01 or § 3375.391 of the Revised Code, shall be credited to the general fund.

In addition, 1982 Op. Att'y Gen. No. 82-031 states Ohio Const. art. XII, §5a requires that interest earned on moneys derived from fees, excises and taxes relating to the use, operation or registration of motor vehicles or to fuels for propelling such vehicles be credited to the special fund to which the principal belongs. Such interest may not, therefore, be paid into the general fund of the political subdivision notwithstanding Ohio Rev. Code § 135.21.

During the audit period, the Township allocated interest earnings to the general fund, motor vehicle license tax fund, gasoline tax fund, permissive motor vehicle license tax fund, coronavirus relief fund, and the permanent fund. The Township had bank accounts that were specifically dedicated to the coronavirus relief fund and the permanent fund. However, the Township incorrectly allocated interest earnings from other bank accounts to these funds despite the funds having no ownership in the other bank accounts for the coronavirus relief fund in 2023 and the permanent fund in 2022 and 2023. Additionally, the Township deposited a federal receipt unrelated to coronavirus relief to the bank account that was being used to track coronavirus relief funds in the amount of \$110,303 in December 2023. Lastly, the Township did not have an interest allocation policy.

Failure to appropriately allocate interest earnings and have a reasonable, supported method for allocating interest could lead to interest earnings being misstated in the applicable funds based on the amount of interest that was actually earned by the fund.

The Township should develop and implement an interest allocation policy to identify funds that the Township intends to receive interest and include a stated, reasonable method of allocating interest to the applicable funds. The policy should then be followed when allocating interest earnings to the funds. If the Township maintains bank accounts that are dedicated to specific funds, only interest earned on those bank accounts should be recorded to the applicable fund(s).

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

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OHIO AUDITOR OF STATE KEITH FABER



GREEN TOWNSHIP

CLARK COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 7/1/2025

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov