

Green Township
Adams County, Ohio

Regular Audit

For the years ended December 31, 2010 and 2009
Fiscal Years Audited Under GAGAS: 2010 and 2009



Balestra, Harr & Scherer, CPAs, Inc.

528 South West St, P.O. Box 687, Piketon, Ohio 45661 Phone: 740.289.4131 Fax: 740.289.3639
9076 Ohio River Road, Wheelersburg, Ohio 45694 Phone: 740.876.9121 Fax: 800.210.2573



Dave Yost • Auditor of State

Board of Trustees
Green Township
21092 U.S. 52
Stout, Ohio 45684

We have reviewed the *Independent Auditor's Report* of Green Township, Adams County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2009 through December 31, 2010. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditor's Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditor's Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

June 15, 2011

This Page is Intentionally Left Blank.

Green Township
Adams County, Ohio
For the Years Ended December 31, 2010 and 2009
Table of Contents

Title	Page
Independent Auditor's Report.....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Governmental Funds - For the Year Ended December 31, 2010	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Governmental Funds - For the Year Ended December 31, 2009	4
Notes to the Financial Statements	5
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	11
Schedule of Findings and Responses	13
Schedule of Prior Audit Findings.....	15



Independent Auditor's Report

Board of Trustees
Green Township
Adams County
21092 US 52
Stout, Ohio 45684

We have audited the accompanying financial statements of Green Township, Adams County, Ohio, (the Township) as of and for the years ended December 31, 2010 and 2009. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described more fully in Note 1, the Township has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Township's larger (i.e. major) funds separately. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Governments to reformat their statements. The Township has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

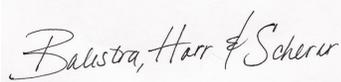
In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2010 and 2009 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2010 and 2009, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of Green Township, Adams County, as of December 31, 2010 and 2009, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

Board of Trustees
Green Township
Adams County
Independent Auditors' Report

The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with Government Auditing Standards, we have also issued our report dated May 11, 2011, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with Government Auditing Standards. You should read it in conjunction with this report in assessing the results of our audit.



Balestra, Harr & Scherer, CPAs, Inc.

May 11, 2011

Green Township, Adams County
Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances
Governmental Funds
For the Year Ended December 31, 2010

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property and Local Taxes	\$ 5,911	\$ 56,047	\$ 61,958
Intergovernmental	11,362	108,626	119,988
Fines, Licenses, and Permits	-	3,600	3,600
Earnings on Investments	136	-	136
Miscellaneous	5,013	422	5,435
	<u>22,422</u>	<u>168,695</u>	<u>191,117</u>
Cash Disbursements:			
Current:			
General Government	19,708	7,310	27,018
Public Safety	-	30,800	30,800
Public Works	-	77,277	77,277
Health	3,787	27,924	31,711
Capital Outlay	-	1,005	1,005
Debt Service:			
Redemption of Principal	-	5,170	5,170
Interest and Fiscal Charges	-	1,134	1,134
	<u>23,495</u>	<u>150,620</u>	<u>174,115</u>
Total Cash Receipts Over/(Under) Cash Disbursements	(1,073)	18,075	17,002
Other Financing Receipts and (Disbursements):			
Sale of Fixed Assets	-	428	428
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(1,073)	18,503	17,430
Fund Cash Balances, January 1	<u>8,986</u>	<u>62,801</u>	<u>71,787</u>
Fund Cash Balances, December 31	<u>\$ 7,913</u>	<u>\$ 81,304</u>	<u>\$ 89,217</u>
Reserve for Encumbrances, December 31	<u>\$ -</u>	<u>\$ 1,965</u>	<u>\$ 1,965</u>

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

Green Township, Adams County
Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances
Governmental Funds
For the Year Ended December 31, 2009

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property and Local Taxes	\$ 5,811	\$ 55,379	\$ 61,190
Intergovernmental	18,304	104,831	123,135
Fines, Licenses, and Permits	-	2,500	2,500
Earnings on Investments	157	-	157
Miscellaneous	2,501	3,910	6,411
	<u>26,773</u>	<u>166,620</u>	<u>193,393</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
General Government	22,491	1,389	23,880
Public Safety	-	42,470	42,470
Public Works	-	94,404	94,404
Health	2,081	24,734	26,815
Capital Outlay	-	9,414	9,414
Debt Service:			
Redemption of Principal	-	2,998	2,998
Interest and Fiscal Charges	-	1,027	1,027
	<u>24,572</u>	<u>176,436</u>	<u>201,008</u>
Total Cash Disbursements			
Total Cash Receipts Over/(Under) Cash Disbursements	2,201	(9,816)	(7,615)
Other Financing Receipts and (Disbursements):			
Loan Proceeds	-	6,314	6,314
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	2,201	(3,502)	(1,301)
Fund Cash Balances, January 1	<u>6,785</u>	<u>66,303</u>	<u>73,088</u>
Fund Cash Balances, December 31	<u><u>\$ 8,986</u></u>	<u><u>\$ 62,801</u></u>	<u><u>\$ 71,787</u></u>

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

**GREEN TOWNSHIP
ADAMS COUNTY**

Notes To The Financial Statements
December 31, 2010 and 2009

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Green Township, Adams County, Ohio (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 and fire protection.

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA) which is an insurance risk-sharing pool available to Ohio Townships. Note 7 provides additional information regarding this entity.

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

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. The 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 Auditor of State prescribes or permits.

C. Cash Deposit

The Township maintains a cash pool used by all funds. All Township funds are maintained in an interest-bearing checking account with a local commercial bank. Interest income is distributed to Township funds based upon the Ohio Constitution.

D. Fund Accounting

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

1. General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds account for the proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

**GREEN TOWNSHIP
ADAMS COUNTY**

Notes To The Financial Statements
December 31, 2010 and 2009

1. Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued)

Fire Levy Fund – This fund receives proceeds from the property tax levy for providing fire protection to Township residents.

Gasoline Tax Fund – This fund receives gasoline tax money to pay constructing, maintaining, and repairing township roads.

Cemetery Fund – This fund receives fees from the sale of lots, footers, and burial fees for the purpose of maintaining and operating the Township cemeteries.

E. Budgetary Process

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

1. Appropriations

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

2. Estimated Resources

Estimated Resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources. The Township did not certify amounts available for expenditures to the County Auditor by the required date.

3. Encumbrances

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

A summary of 2010 and 2009 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

2. Equity in Pooled Cash and Investments

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

	<u>2010</u>	<u>2009</u>
Demand deposits	<u>\$89,217</u>	<u>\$71,787</u>

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

**GREEN TOWNSHIP
ADAMS COUNTY**

Notes To The Financial Statements
December 31, 2010 and 2009

3. Budgetary Activity

Budgetary activity for the years ending December 31, 2010 and December 31, 2009 follows:

2010 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 17,696	\$ 22,422	\$ 4,726
Special Revenue	176,090	169,123	(6,967)
Total	\$ 193,786	\$ 191,545	\$ (2,241)

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 26,682	\$ 23,495	\$ 3,187
Special Revenue	238,889	152,585	86,304
Total	\$ 265,571	\$ 176,080	\$ 89,491

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 21,330	\$ 26,773	\$ 5,443
Special Revenue	166,250	172,934	6,684
Total	\$ 187,580	\$ 199,707	\$ 12,127

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 28,114	\$ 24,572	\$ 3,542
Special Revenue	228,619	176,436	52,183
Total	\$ 256,733	\$ 201,008	\$ 55,725

4. Property Tax

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

Public utilities are also taxed on personal and real property located within the Township.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

**GREEN TOWNSHIP
ADAMS COUNTY**

Notes To The Financial Statements
December 31, 2010 and 2009

4. Property Tax (Continued)

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

5. Retirement Systems

The Townships' 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.

The Ohio Revised Code also prescribes contribution rates. For 2010 and 2009, OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants' gross salaries. The Township has paid all contributions required through December 31, 2010.

6. Risk Pool Membership

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

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

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

Casualty and Property Coverage

APEEP provides OTARMA with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2009, OTARMA retained \$350,000 for casualty claims and \$150,000 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.

Financial Position

OTARMA's financial statements (audited by other accountants) conform with the generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2009 and 2008 (Most recent information available):

	<u>2009</u>	<u>2008</u>
Assets	\$38,982,088	\$40,737,740
Liabilities	<u>(12,880,766)</u>	<u>(12,981,818)</u>
Net Assets	<u>\$26,101,322</u>	<u>\$27,755,922</u>

**GREEN TOWNSHIP
ADAMS COUNTY**

Notes To The Financial Statements
December 31, 2010 and 2009

6. Risk Pool Membership (Continued)

At December 31, 2009 and 2008, respectively, casualty coverage liabilities noted above include approximately \$12.0 million and \$12.1 million of estimated incurred claims payable. The assets above also include approximately \$11.5 and \$10.9 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2009 and 2008, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2009, the Township's share of these unpaid claims collectible in future years is approximately \$5,300.

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. The Township's contributions to OTARMA for the past three years are as follows:

<u>Year</u>	<u>Contribution</u>
2008	\$ 5,388
2009	6,141
2010	6,467

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

7. Debt

Debt outstanding at December 31, 2010 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Bank note for tractor, collateralized by tractor	\$14,263	5.03%
Turn-out gear	\$4,293	4.09%

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

<u>Year ending December 31:</u>	<u>Tractor Loan</u>	<u>Turn-out Gear Loan</u>
2011	\$ 4,025	\$ 1,743
2012	4,025	1,743
2013	4,025	1,743
2014	3,832	-
Total	<u>\$ 15,907</u>	<u>\$ 5,229</u>

**GREEN TOWNSHIP
ADAMS COUNTY**

Notes To The Financial Statements
December 31, 2010 and 2009

8. Compliance

Contrary to Ohio law the Township did not properly certify funds prior to expending them.

Contrary to Ohio law the Township had appropriations in excess of total available resources in 2009.



Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*

Board of Trustees
Green Township
Adams County
21092 US 52
Stout, Ohio 45684

We have audited the financial statements of Green Township, Adams County, Ohio, (the Township) as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated May 11, 2011 wherein we noted the Township followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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 deficiencies in internal control such that there is a reasonable possibility that material financial statement misstatements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings that we consider a significant deficiency in internal control over financial reporting. We consider finding 2010-03 to be a significant deficiency. 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.

Board of Trustees
Green Township
Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Required by *Government Auditing Standards*

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2010-01 and 2010-02.

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

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

A handwritten signature in cursive script that reads "Balestra, Harr & Scherer". The signature is written in black ink on a light-colored background.

Balestra, Harr & Scherer, CPAs, Inc.
May 11, 2011

**GREEN TOWNSHIP
ADAMS COUNTY**

Schedule of Findings and Responses
December 31, 2010 and 2009

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
--

FINDING 2010-01

Material Noncompliance

Ohio Rev. Code, Section 5705.41 (D) states that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

This section also provides two “exceptions” to the above requirements:

- A. Then and Now Certificate – If the fiscal officer can certify that both at the time That the contract or order was made (“then”), and at the time that the fiscal officer is completing the certification (“now”), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Township can authorize the drawing of a warrant for the payment or the amount due. The Township can authorize the drawing of a warrant for the payment of the amount due. The Township has thirty days from the receipt of the “then and now” certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 maybe paid by the fiscal officer without a resolution or ordinance upon completion of the “then and now” certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Township.

- B. Blanket Certificate – Fiscal officers may prepare “blanket” certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any on particular line item appropriation.
- C. Super Blanket Certificate – The Township may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonable predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

The availability of funds was not certified properly in 2009 and 2010 for the Township’s expenditures tested, nor did the Township use the aforementioned exceptions. Failure to properly certify funds could result in overspending the Township funds.

Every effort should be made by the Township to properly utilize the encumbrance method of accounting by certifying funds prior to making a purchase obligation. Failure to properly certify funds could result in overspending and negative fund balances.

The Township should certify purchases to which 5705.41 (D) applies. The most convenient method is to use purchase orders that include the certification language 5705.41(D) requires to authorize disbursements. The fiscal officer should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation.

Client Response:

The Township is now on the UAN system.

**GREEN TOWNSHIP
ADAMS COUNTY**

Schedule of Findings and Responses
December 31, 2010 and 2009

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

FINDING 2010-02

Material Noncompliance

Ohio Rev. Code section 5705.36 (A)(4) requires obtaining a reduced amended certificate in the amount of the deficiency will reduce available resources below the current level of appropriations. The Township had appropriations in excess of total available resources (which is beginning unencumbered balance plus actual receipts) in the General fund, Cemetery fund and Fire fund at December 31, 2009 and in the MLVT, Gasoline Tax and Fire fund at December 31, 2010.

The Township should implement monitoring procedures to ensure that appropriations do not exceed that total available resources at year end.

Client Response:

The Township is now on the UAN system.

FINDING 2010-03

Significant Deficiency – Controls over Financial Reporting

While confirming tax and intergovernmental revenue, it was noted that several receipts were posted to the wrong line item. Several reclassifications were required to be made to the financial statements.

The accompanying financial statements were adjusted to reflect adjustments to the following line items:

- Property and other local taxes
- Intergovernmental revenue
- Miscellaneous revenue

The aforementioned errors were the result of a lack of internal controls over financial reporting.

The Township should implement application and monitoring controls to ensure that financial statement balances are accurately and completely stated.

Client Response:

The Fiscal Officer will correct the posting errors in the future.

**GREEN TOWNSHIP
ADAMS COUNTY**

Schedule of Prior Audit Findings
December 31, 2010 and 2009

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2008-001	Ohio Rev. Code Section 5705.41(D) failure to properly certify funds	No	Reissued as Finding 2010-01
2008-002	Ohio Admin. Code Section 117-2-01, 117-2-02, requires certain Township accounting records to be kept.	Yes	
2008-003	Ohio Rev. Code Section 5705.41(B) requires that no subdivision is to expend money unless it has been appropriated	Yes	
2008-004	Ohio Rev. Code Section 5705.10 negative fund balances indicate money from other funds was used to cover the expenses of another fund.	Yes	
2008-005	Ohio Rev. Code Section 5705.36(A)(4) Appropriations in excess of available resources	No	Reissued as finding 2010-02
2008-006	Ohio Rev. Code Section 5705.39 Appropriations in excess of estimated resources	Yes	



Dave Yost • Auditor of State

GREEN TOWNSHIP

ADAMS 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
JUNE 28, 2011**