



GREEN TOWNSHIP, ADAMS COUNTY

Regular Audit

**For the Years Ended
December 31, 2016 and 2015**

J.L. UHRIG
AND ASSOCIATES INC.

CERTIFIED PUBLIC ACCOUNTANT AND MANAGEMENT CONSULTANTS





Dave Yost • Auditor of State

Township Trustees
Green Township
21092 US 52
Stout, Ohio 45684

We have reviewed the *Independent Auditors' Report* of Green Township, Adams County, prepared by J.L. Uhrig and Associates, Inc., for the audit period January 1, 2015 through December 31, 2016. 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.

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 29, 2017

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of Green Township, Adams County, Ohio (the Township) as of and for the years ended December 31, 2016 and 2015.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2016 and 2015, or changes in financial position for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Green Township, Adams County as of December 31, 2016 and 2015, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permits, described in Note 2.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 5, 2017 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.
Chillicothe, Ohio

June 5, 2017

GREEN TOWNSHIP, ADAMS COUNTY
Combined Statement of Cash Receipts, Cash Disbursements, and
Changes in Fund Cash Balances
All Governmental Fund Types
For the Year Ended December 31, 2016

	General	Special Revenue	Totals
<u>Cash Receipts:</u>			
Property and Other Local Taxes	\$7,709	\$56,567	\$64,276
Intergovernmental	39,258	106,281	145,539
Licenses, Permits, and Fees	0	1,200	1,200
Earnings on Investments	307	0	307
Other Revenue	9,195	789	9,984
Total Cash Receipts	<u>56,469</u>	<u>164,837</u>	<u>221,306</u>
<u>Cash Disbursements:</u>			
<i>Current:</i>			
General Government	27,407	8,860	36,267
Public Safety	0	30,390	30,390
Public Works	0	65,376	65,376
Health	11,682	33,109	44,791
<i>Debt Service:</i>			
Principal Retirement	0	9,995	9,995
Interest and Fiscal Charges	0	714	714
Total Cash Disbursements	<u>39,089</u>	<u>148,444</u>	<u>187,533</u>
Total Cash Receipts Over/(Under) Cash Disbursements	17,380	16,393	33,773
<u>Other Financing Receipts:</u>			
Other Financing Receipts	<u>1,130</u>	<u>1,060</u>	<u>2,190</u>
Total Other Financing Receipts	<u>1,130</u>	<u>1,060</u>	<u>2,190</u>
Excess of Revenues and Other Financing Receipts Over (Under) Expenditures	18,510	17,453	35,963
Fund Cash Balances, January 1	<u>75,792</u>	<u>105,213</u>	<u>181,005</u>
Restricted	0	66,131	66,131
Committed	0	50,956	50,956
Assigned	<u>94,302</u>	<u>5,579</u>	<u>99,881</u>
Fund Cash Balances, December 31	<u><u>\$94,302</u></u>	<u><u>\$122,666</u></u>	<u><u>\$216,968</u></u>

See accompanying notes to the financial statements.

GREEN TOWNSHIP, ADAMS COUNTY
Combined Statement of Cash Receipts, Cash Disbursements, and
Changes in Fund Cash Balances
All Governmental Fund Types
For the Year Ended December 31, 2015

	General	Special Revenue	Totals
<u>Cash Receipts:</u>			
Property and Other Local Taxes	\$8,107	\$59,039	\$67,146
Intergovernmental	17,871	100,273	118,144
Licenses, Permits, and Fees	0	3,200	3,200
Earnings on Investments	298	0	298
Other Revenue	5,000	1,150	6,150
Total Cash Receipts	<u>31,276</u>	<u>163,662</u>	<u>194,938</u>
<u>Cash Disbursements:</u>			
<i>Current:</i>			
General Government	26,393	9,848	36,241
Public Safety	0	29,690	29,690
Public Works	0	86,993	86,993
Health	8,180	29,620	37,800
<i>Debt Service:</i>			
Principal Retirement	0	9,659	9,659
Interest and Fiscal Charges	0	1,050	1,050
Total Cash Disbursements	<u>34,573</u>	<u>166,860</u>	<u>201,433</u>
Total Cash Receipts Over/(Under) Cash Disbursements	(3,297)	(3,198)	(6,495)
<u>Other Financing Receipts:</u>			
Other Financing Receipts	498	1,500	1,998
Total Other Financing Receipts	<u>498</u>	<u>1,500</u>	<u>1,998</u>
Excess of Revenues and Other Financing Receipts Over (Under) Expenditures	(2,799)	(1,698)	(4,497)
Fund Cash Balances, January 1	<u>78,591</u>	<u>106,911</u>	<u>185,502</u>
Restricted	0	62,089	62,089
Committed	0	33,784	33,784
Assigned	75,792	9,340	85,132
Fund Cash Balances, December 31	<u><u>\$75,792</u></u>	<u><u>\$105,213</u></u>	<u><u>\$181,005</u></u>

See accompanying notes to the financial statements.

GREEN TOWNSHIP, ADAMS COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2016 and 2015

Note 1 – Reporting Entity

The Green Township, Adams County, Ohio (the Township), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Township Fiscal Officer. The Township provides general government services, maintenance of Township roads and bridges, maintenance of cemeteries, and fire protection.

The Township participates in the Ohio Township 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.

Note 2 – Summary of Significant Accounting Policies

Basis of Accounting

The Township's financial statements follow the basis of accounting permitted by the financial reporting provisions of Ohio Revised Code 117.38 and Ohio Administrative Code Section 117-2-03 (D), which is similar to the cash receipts and disbursements basis of accounting. This method differs from generally accepted accounting principles because receipts are recognized when received in cash rather than when earned, and disbursements are recognized when a payment is made rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

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:

General Fund: The General Fund is the general operating fund. It is used to account for all financial resources, except those required by law or contracted to be restricted.

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

Gasoline Tax Fund – This fund is comprised of taxes on the sale of gasoline which is distributed to the Township based upon road mileage determined by the state, and used for the repair and maintenance of Township roads.

Fire District Fund – This fund receives property tax money to provide fire protection for Township residents.

Cemetery Fund – This fund receives property tax money to provide upkeep and maintenance to the cemeteries.

GREEN TOWNSHIP, ADAMS COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2016 and 2015

Note 2 – Summary of Significant Accounting Policies - (continued)

Budgetary Process

The Ohio Revised Code requires that each Township 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. The Adams County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year-end.

Estimated Resources: Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The Adams County Budget Commission must also certify estimated resources.

Encumbrances: The Ohio Revised Code requires the Township to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are cancelled and reappropriated in the subsequent year.

A summary of 2016 and 2015 budgetary activity appears in Note 4.

Fund Balances

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

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

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

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

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

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

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

GREEN TOWNSHIP, ADAMS COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2016 and 2015

Note 2 – Summary of Significant Accounting Policies - (continued)

Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's basis of accounting.

Note 3 – Cash and Investments

The Township maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The Township had no investments at year end. The carrying amount of cash at year end was as follows:

	December 31, 2016	December 31, 2015
Demand Deposits	\$216,968	\$181,005

Deposits: Deposits are insured by the Federal Depository Insurance Corporation and collateralized by the financial institution's public entity deposit pool.

Note 4 – Budgetary Basis of Accounting

The Township's budgetary activity for the years ending December 31, 2016 and December 31, 2015 was as follows:

2016 Budgeted vs. Actual Receipts			
	Receipts		
Fund Type	Budgeted	Actual	Variance
General	\$93,994	\$57,599	(\$36,395)
Special Revenue	268,713	165,897	(102,814)
<i>Total</i>	\$362,707	\$223,496	(\$139,209)

GREEN TOWNSHIP, ADAMS COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2016 and 2015

Note 4 – Budgetary Basis of Accounting - (continued)

2016 Budgeted vs. Actual Budgetary Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$93,994	\$39,089	\$54,905
Special Revenue	268,713	148,444	120,269
<i>Total</i>	<u>\$362,707</u>	<u>\$187,533</u>	<u>\$175,174</u>

2015 Budgeted vs. Actual Receipts

Fund Type	Receipts		Variance
	Budgeted	Actual	
General	\$95,714	\$31,774	(\$63,940)
Special Revenue	276,092	165,162	(110,930)
<i>Total</i>	<u>\$371,806</u>	<u>\$196,936</u>	<u>(\$174,870)</u>

2015 Budgeted vs. Actual Budgetary Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$95,714	\$34,573	\$61,141
Special Revenue	276,092	166,860	109,232
<i>Total</i>	<u>\$371,806</u>	<u>\$201,433</u>	<u>\$170,373</u>

Note 5 – Property Taxes

Real property taxes become a lien on January 1 proceeding the October 1 date for which rates are adopted by Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as intergovernmental receipts. Payments are due to the County by December 31. If the property owner elects to make semi-annual payments, the first half is due December 31, and the second half payment is due the following June 20.

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

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

GREEN TOWNSHIP, ADAMS COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2016 and 2015

Note 6 – Debt

Debt outstanding at December 31, 2016 was as follows:

<u>Description of Issue</u>	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Principal Balance 12-31-15</u>	<u>Issued in 2016</u>	<u>Retired In 2016</u>	<u>Principal Balance 12-31-16</u>
<i>General Obligation Note</i>						
Chip and Seal	2014	3.50%	\$20,341	\$0	\$9,995	\$10,346
	Total		<u>\$20,341</u>	<u>\$0</u>	<u>\$9,995</u>	<u>\$10,346</u>

Debt outstanding at December 31, 2015 was as follows:

<u>Description of Issue</u>	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Principal Balance 12-31-14</u>	<u>Issued in 2015</u>	<u>Retired In 2015</u>	<u>Principal Balance 12-31-15</u>
<i>General Obligation Note</i>						
Chip and Seal	2014	3.50%	\$30,000	\$0	\$9,659	\$20,341
	Total		<u>\$30,000</u>	<u>\$0</u>	<u>\$9,659</u>	<u>\$20,341</u>

In June 2014, the Township entered into a loan for chip and seal in the amount of \$30,000. The Township is paying this loan from the Gasoline Tax Fund.

The general obligation notes are supported by the full faith and credit of the Township and are payable from unvoted property tax receipts to the extent that other resources are not available to meet annual principal and interest payments.

<u>Year Ended December 31:</u>	<u>Chip and Seal</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$10,346	\$362	\$10,708

Note 7 – Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Township contracted with 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.

GREEN TOWNSHIP, ADAMS COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2016 and 2015

Note 7 – Risk Management - (continued)

Casualty Coverage

OTARMA retains casualty risk up to \$350,000 per occurrence, including loss adjustment expenses. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate per year. Governments can elect up to \$13,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with OTARMA.

If losses exhaust OTARMA's retained earnings, APEEP provides excess of funds available coverage up to \$5,000,000 per year, subject to the annual aggregate limit of \$10,000,000.

Property Coverage

The Travelers Indemnity Company reinsures specific losses exceeding \$500,000 up to \$600 million per occurrence. APEEP reinsures members for specific losses exceeding \$150,000 up to \$500,000 per occurrence, subject to an annual aggregate loss payment. Travelers provide property aggregate stop loss coverage to APEEP based upon the combined Members' Total Insurable Value (TIV). If the stop loss is reached by payment of OTARMA's retained losses, Travelers will then reinsure property specific losses in excess of the retention up to their \$600,000,000 per occurrence limit. Additionally, APEEP provides an additional aggregate for the \$50,000 excess \$100,000 layer, with the aggregate limit tied to TIV, for the insurance coverage's to OTARMA.

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

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

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2015 and 2014 (the latest information available):

<u>Combined Coverage</u>	<u>2015</u>	<u>2014</u>
Assets	\$37,313,311	\$35,970,263
Liabilities	(8,418,518)	(8,912,432)
Retained Earnings	<u>\$28,894,793</u>	<u>\$27,057,831</u>

The Pool's membership increased from 957 members in 2014 to 989 members in 2015.

The Pool uses reinsurance and excess risk-sharing arrangements to reduce its exposure to loss. These agreements permit recovery of a portion of its claims from reinsurers and a risk-sharing pool; however, they do not discharge the Pool's primary liability for such payments. The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York Risk Pooling Services, Inc. (YORK). APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, the Pool retains insured risks up to an amount specified in the contracts. (At December 31, 2014 the Pool retained \$350,000 for casualty claims and \$250,000 for property claims). The Board of Directors and YORK periodically review the financial strength of the Pool and other market conditions to determine the appropriate level of risk the Pool will retain.

GREEN TOWNSHIP, ADAMS COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2016 and 2015

Note 8 – Retirement Systems

The Township’s employees belong to the Public Employees Retirement System (OPERS). OPERS is a cost sharing, multiple-employer plan. The plan provides retirement benefits, including post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2016 and 2015, members contributed 10% of their gross salaries. The Township contributed an amount equal to 14% of participants’ gross salaries. The Township has paid all contributions required through December 31, 2016.

Note 9 – Fund Cash Balances

As of December 31, 2016, fund balances are composed of the following:

	General	Special Revenue	Total
<i>Restricted:</i>			
Fire Operations	\$0	\$66,131	\$66,131
<i>Committed:</i>			
Road & Bridge Maintenance	0	50,956	50,956
<i>Assigned:</i>			
Future Appropriations	94,302	0	94,302
Cemetery	0	5,579	5,579
Total	\$94,302	\$122,666	\$216,968

As of December 31, 2015, fund balances are composed of the following:

	General	Special Revenue	Total
<i>Restricted:</i>			
Fire Operations	\$0	\$62,089	\$62,089
<i>Committed:</i>			
Road & Bridge Maintenance	0	33,784	33,784
<i>Assigned:</i>			
Future Appropriations	75,792	0	75,792
Cemetery	0	9,340	9,340
Total	\$75,792	\$105,213	\$181,005

**Independent Auditor's 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 U. S. 52
Stout, OH 45684

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of Green Township, Adams County, Ohio (the Township), as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements and have issued our report thereon dated June 5, 2017, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permit.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency or combination of internal control deficiencies, resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Township's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2016-001 described in the accompanying schedule of findings to be a material weakness.

Board of Trustees
Green Township, Adams County
Independent Auditor's 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, opining 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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

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

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.
Chillicothe, Ohio

June 5, 2017

GREEN TOWNSHIP, ADAMS COUNTY
Schedule of Findings
For the Years Ended December 31, 2016 and 2015

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

Finding Number 2016-001

Financial Statement Adjustments - Material Weakness

Accurate financial reporting is an important part of the Township's overall purpose. Financial reporting requires internal controls to be in place to help ensure accuracy of reporting.

The Township had numerous adjustments and reclassifications due to errors noted in the receipting and disbursing process. The following areas had audit adjustments and reclassifications made to the Township's financial statements:

- Intergovernmental Revenue
- Other Financing Sources
- Public Works
- Principal and Interest

The audited financial statements and Township records have been adjusted for the misstatements above.

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

The presentation of materially incorrect financial statements is the responsibility of management. Lack of a properly presented financial statements review process could inhibit its financial accountability to both the public and the Trustees, which they may use to facilitate Township decisions.

We recommend the Township implement internal control procedures that enable management to identify, prevent, detect and correct potential misstatements in the financial statements.

Officials Response

We did not receive a response from Township Officials.

GREEN TOWNSHIP, ADAMS COUNTY
Schedule of Prior Audit Findings
For Years Ended December 31, 2016 and 2015

Finding Number	Description	Status	Comments
	<i>Government Auditing Standards:</i>		
2014-01	Financial Statement Adjustments	Not Corrected	Reissued as finding 2016-001

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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
JULY 13, 2017**