



**GREENE TOWNSHIP  
TRUMBULL COUNTY  
REGULAR AUDIT  
FOR THE YEARS ENDED DECEMBER 31, 2019 - 2018**

313 Second St.  
Marietta, OH 45750  
740 373 0056

1907 Grand Central Ave.  
Vienna, WV 26105  
304 422 2203

150 W. Main St., #A  
St. Clairsville, OH 43950  
740 695 1569

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Wheeling, WV 26003  
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Cambridge, OH 43725  
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OHIO AUDITOR OF STATE  
KEITH FABER



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Board of Trustees  
Greene Township  
8964 State Route 46  
North Bloomfield, Ohio 44450

We have reviewed the *Independent Auditor's Report* of Greene Township, Trumbull County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2018 through December 31, 2019. 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. In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is issuing the following:

**Findings for Recovery Repaid Under Audit**

Pursuant to Ohio Rev. Code § 507.09(A)(5) and 505.24(A)(1), in calendar year 2018, in a Township having a budget of \$250,000 or less, the annual compensation of the township fiscal officer shall be \$10,918 and each township trustee shall be paid \$40.41 per day not to exceed 200 days ( $\$40.41 * 200 = \$8,082$ ).

The Township's 2018 Certificates of Estimated Resources as approved by the County Budget Commission on October 19, 2017 indicated certified amounts for all funds of \$137,751.03. Ohio Attorney General Opinions 92-003 and 99-015 indicate that, under Section 505.24 a Township's Certificate of Estimated Resources is to be used in order to determine the appropriate compensation level for the Township Trustees and Fiscal Officer.

As such, the maximum annual salary for the fiscal officer and each trustee based on the budget should have been \$10,918 and \$8,082, respectively. A review of the payroll records indicate Yevonne Postlethwait, fiscal officer, was paid annual total compensation of \$13,370 during 2018 and as a result, an overpayment of \$2,452 occurred. James Wakefield and William Barnett, township trustees were paid annual total compensation of \$9,360 during 2018 and as a result, an overpayment of \$1,278 occurred for each of these two trustees, and Karl Evans, (former) township trustee was paid total compensation of \$8,914 during 2018 and as a result, an overpayment of \$832 occurred. Yevonne Postlethwait received or collected the public money used to make the erroneous payments.

Under Ohio law, public officials are strictly liable for all public money received or collected by them or their subordinates under color of law. Ohio Rev. Code § 9.39; *Cordray v. Internatl. Preparatory School*, 128 Ohio St.3d 50 (2010).

Board of Trustees  
Greene Township  
8964 State Route 46  
North Bloomfield, Ohio 44450  
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In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public money illegally expended is hereby issued against Yevonne Postlethwait, Fiscal Officer, in the amount of \$2,452 and in favor of Greene Township's General Fund. In addition, Findings for Recovery for public monies illegally expended are hereby issued against township trustees James Wakefield and William Barnett, in the amount of \$1,278 each in favor of Greene Township's General Fund, and a Finding for Recovery is hereby issued against the Estate of Karl Evans, (former) Township trustee, in the amount of \$832 and in favor of Green Township's General fund.

Yevonne Postlethwait repaid \$2,452 via check #2996 on 9/26/22, the (Estate) of Karl Evans' Finding for Recovery of \$832 was paid via check #2996 on 9/26/22, James Wakefield repaid \$1,278 to the township on 8/26/22 via check #5297 and William Barnett repaid \$1,278 to the township on 10/7/22 via check #1695.

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. Greene Township is responsible for compliance with these laws and regulations.



Keith Faber  
Auditor of State  
Columbus, Ohio

March 01, 2023

GREENE TOWNSHIP  
TRUMBULL COUNTY

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## INDEPENDENT AUDITOR'S REPORT

November 18, 2022

Greene Township  
Trumbull County  
8964 State Route 46  
North Bloomfield, OH 44450

To the Board of Trustees:

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

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of **Greene Township**, Trumbull County, (the Township) as of and for the years ended December 31, 2019 and 2018.

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

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

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

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

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

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

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations  
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***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

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

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

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

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2019 and 2018, and the respective changes in financial position thereof for the years then ended.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of Greene Township, Trumbull County as of December 31, 2019 and 2018, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2022 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.



**Perry & Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio



**GREENE TOWNSHIP  
TRUMBULL COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	General	Special Revenue	Capital Projects	Permanent	Totals (Memorandum Only)
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$ 78,051	\$ 188,527	\$ -	\$ -	\$ 266,578
Charges for Services	-	3,740	-	-	3,740
Licenses, Permits and Fees	325	-	-	-	325
Intergovernmental	-	54,175	-	-	54,175
Miscellaneous	40	-	-	-	40
<i>Total Cash Receipts</i>	<u>78,416</u>	<u>246,442</u>	<u>-</u>	<u>-</u>	<u>324,858</u>
<b>Cash Disbursements</b>					
Current:					
General Government	67,455	3,074	67,786	-	138,315
Public Safety	-	63,860	-	-	63,860
Public Works	-	100,746	-	-	100,746
Health	-	82	-	-	82
<i>Total Cash Disbursements</i>	<u>67,455</u>	<u>167,762</u>	<u>67,786</u>	<u>-</u>	<u>303,003</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>10,961</u>	<u>78,680</u>	<u>(67,786)</u>	<u>-</u>	<u>21,855</u>
<b>Other Financing Receipts (Disbursements)</b>					
Transfers In	-	-	167,000	-	167,000
Transfers Out	-	(167,000)	-	-	(167,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>-</u>	<u>(167,000)</u>	<u>167,000</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	10,961	(88,320)	99,214	-	21,855
<i>Fund Cash Balances, January 1</i>	<u>7,992</u>	<u>294,625</u>	<u>-</u>	<u>33</u>	<u>302,650</u>
<b>Fund Cash Balances, December 31</b>					
Nonspendable	-	-	-	33	33
Restricted	-	195,416	99,214	-	294,630
Committed	-	10,889	-	-	10,889
Assigned	18,953	-	-	-	18,953
<i>Fund Cash Balances, December 31</i>	<u>\$ 18,953</u>	<u>\$ 206,305</u>	<u>\$ 99,214</u>	<u>\$ 33</u>	<u>\$ 324,505</u>

See accompanying notes to the basic financial statements

GREENE TOWNSHIP  
TRUMBULL COUNTY

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
FIDUCIARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Private Purpose Trust</u>
<i>Fund Cash Balances, January 1</i>	<u>\$ 4,252</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$ 4,252</u></u>

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

**GREENE TOWNSHIP**  
**TRUMBULL COUNTY**  
*NOTES TO THE FINANCIAL STATEMENTS*  
*FOR THE YEAR ENDED DECEMBER 31, 2019*

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**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Greene Township, Trumbull County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the with Greene Volunteer Fire and Rescue Department to provide fire services to Johnston and Bristol Townships, to provide emergency medical services.

***Public Risk Entity Pools***

The Township participates in a public risk entity pool the Ohio Township Association Risk Management Authority (OTARMA). Note 7 to the financial statements provides additional information for this entity.

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

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

***Basis of Presentation***

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all fiduciary 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:

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

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

***Road and Bridge*** The road and bridge fund accounts for and reports that portion of that portion of real estate taxes collected and distributed by Trumbull County restricted to maintenance and repair of rads and bridges.

***Fire Operational Fund*** The fire operational fund accounts for and reports that portion of levied real estate taxes restricted for the fire and EMS services and contracts.

**GREENE TOWNSHIP  
TRUMBULL COUNTY**  
*NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

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

***Fund Accounting (Continued)***

***Fire Levy Fund*** The fire levy fund accounts for and reports that portion of levied real estate tax restricted for fire operational and EMS services and contracts.

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

***Issue II Fund*** The township received a grant from the state for capital improvements. The proceeds are restricted for capital improvement.

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

***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.

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

The Township's private purpose trust fund is for the benefit of Young-Finney Cemetery lot maintenance.

***Cemetery Bequest Fund*** The cemetery bequest fund is privately funded account that remains at a designated base deposit amount which accumulates interest which is then used for the maintenance of designated cemetery lots.

***Basis of Accounting***

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

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

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. Appropriations lapse at year end.

**GREENE TOWNSHIP  
TRUMBULL COUNTY**  
*NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

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

***Budgetary Process (Continued)***

***Estimated Resources*** Estimated resources include estimates of cash to be received (budgeted receipts) plus 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 canceled, and reappropriated in the subsequent year.

A summary of 2019 budgetary activity appears in Note 4.

***Deposits and Investments***

The Township's accounting basis does not include investments as assets only deposits. This basis does not record disbursements for investment purchases or receipts for investment sales.

***Fund Balance***

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

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

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

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

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

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

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

**GREENE TOWNSHIP  
TRUMBULL COUNTY**  
*NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

**Note 3 – Compliance**

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the General fund by \$5,328 and the Issue II fund for \$27,398 for the year ended December 31, 2019.

**Note 4 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 62,127	\$ 78,416	\$ 16,289
Special Revenue	501,066	246,442	(254,624)
Capital Projects	44,389	167,000	122,611
Total	\$ 611,867	\$ 491,858	\$ (120,009)

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 62,127	\$ 67,455	\$ (5,328)
Special Revenue	497,031	334,762	162,269
Capital Projects	40,388	67,786	(27,398)
Permanent	33	-	33
Fiduciary	4,253	-	4,253
Total	\$ 603,832	\$ 470,003	\$ 133,829

**Note 5 – Deposits**

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

	2019
Demand deposits	\$328,757
Total deposits	328,757
Total deposits and investments	\$328,757

**Deposits**

Deposits are collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

**GREENE TOWNSHIP  
TRUMBULL COUNTY**  
*NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

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**Note 6 – 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.

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

**Note 7 – Risk Management**

***Risk Pool Membership***

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the Township's policy. The Pool covers the following risks:

- General liability and casualty;
- Public official's liability;
- Cyber;
- Law enforcement liability;
- Automobile liability;
- Vehicles;
- Property; and
- Equipment breakdown.

The Pool reported the following summary of actuarially-measured liabilities and the assets available to pay those liabilities as of December 31:

	<u>2019</u>
Cash and investments	\$35,207,320
Actuarial liabilities	\$10,519,942

**Note 8 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

All Township employees, but Karl Evans who contributed to SSI, 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, 2019.

**GREENE TOWNSHIP  
TRUMBULL COUNTY**  
*NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019*

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**Note 8 – Defined Benefit Pension Plans (Continued)**

***Social Security***

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

The Township employee 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, 2019.

**Note 9 – 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 2019. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2019.

**Note 10 - Transfers**

We noted a transfer of \$157,000 from the Gas Fund and \$10,000 from the Road and Bridge fund to the Capital Project fund to pay for the T.H. 195C Durst Colebrook Rd. Widening and Resurfacing Phase II project.

**Note 11– 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. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. The Township's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the Township's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.



**GREENE TOWNSHIP  
TRUMBULL COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	General	Special Revenue	Permanent	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$ 65,329	\$ 189,894	\$ -	\$ 255,223
Charges for Services	-	798	-	798
Licenses, Permits and Fees	50	-	-	50
Miscellaneous	4,278	-	-	4,278
<i>Total Cash Receipts</i>	<u>69,657</u>	<u>190,692</u>	<u>-</u>	<u>260,349</u>
<b>Cash Disbursements</b>				
Current:				
General Government	65,302	68,741	-	134,043
Public Works	-	117,351	-	117,351
<i>Total Cash Disbursements</i>	<u>65,302</u>	<u>186,092</u>	<u>-</u>	<u>251,394</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>4,355</u>	<u>4,600</u>	<u>-</u>	<u>8,955</u>
<b>Other Financing Receipts (Disbursements)</b>				
Transfers In	-	2,500	-	2,500
Transfers Out	(2,500)	-	-	(2,500)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(2,500)</u>	<u>2,500</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	1,855	7,100	-	8,955
<i>Fund Cash Balances, January 1</i>	<u>6,137</u>	<u>287,525</u>	<u>33</u>	<u>293,695</u>
<b>Fund Cash Balances, December 31</b>				
Nonspendable	-	-	33	33
Restricted	-	283,371	-	283,371
Committed	-	11,254	-	11,254
Assigned	7,992	-	-	7,992
<i>Fund Cash Balances, December 31</i>	<u>\$ 7,992</u>	<u>\$ 294,625</u>	<u>\$ 33</u>	<u>\$ 302,650</u>

See accompanying notes to the basic financial statements

GREENE TOWNSHIP  
TRUMBULL COUNTY

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
FIDUCIARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Private Purpose Trust</u>
<i>Fund Cash Balances, January 1</i>	<u>\$ 4,252</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$ 4,252</u></u>

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

**GREENE TOWNSHIP  
TRUMBULL COUNTY**  
*NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018*

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**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Greene Township, Trumbull County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the Greene Volunteer Fire and Rescue Department to provide fire services to Johnston and Bristol Townships, to provide ambulance services.

***Public Risk Entity Pools***

The Township participates in a public risk entity pool the Ohio Township Association Risk Management Authority (OTARMA). Note 7 to the financial statements provides additional information for this entity.

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

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

***Basis of Presentation***

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all fiduciary 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:

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

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

***Road and Bridge*** The road and bridge fund accounts for and reports that portion of that portion of real estate taxes collected and distributed by Trumbull County restricted to maintenance and repair of roads and bridges.

***Fire Operational Fund*** The fire operational fund accounts for and reports that portion of levied real estate taxes restricted for the fire and EMS services and contracts.

**GREENE TOWNSHIP  
TRUMBULL COUNTY**  
*NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018*

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

***Fund Accounting (Continued)***

***Fire Levy Fund*** The fire levy fund accounts for and reports that portion of levied real estate tax restricted for fire operational and EMS services and contracts.

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

***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.

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

The Township's private purpose trust fund is for the benefit of Young-Finney Cemetery lot maintenance.

***Cemetery Bequest Fund*** The cemetery bequest fund is privately funded account that remains at a designated base deposit amount which accumulates interest which is then used for the maintenance of designated cemetery lots.

***Basis of Accounting***

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

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

***Budgetary Process***

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

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

**GREENE TOWNSHIP  
TRUMBULL COUNTY**  
*NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018*

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

***Budgetary Process (Continued)***

A summary of 2018 budgetary activity appears in Note 4.

***Deposits and Investments***

The Township's accounting basis does not include investments as assets only deposits. This basis does not record disbursements for investment purchases or receipts for investment sales.

***Fund Balance***

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

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

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

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

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

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

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

**Note 3 – Compliance**

Contrary to Ohio law, the Township failed to pass an annual appropriation resolution resulting in budgetary expenditures exceeding appropriation authority in the General, Gasoline Tax, Road and Bridge, Fire District, and Fire Operating Levy Funds.

**GREENE TOWNSHIP  
TRUMBULL COUNTY**  
*NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018*

**Note 4 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2018 as follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 54,824	\$ 69,657	\$ 14,833
Special Revenue	82,926	193,192	110,266
Total	\$ 137,750	\$ 262,849	\$ 125,099

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ -	\$ 67,802	\$ (67,802)
Special Revenue	-	186,092	(186,092)
Total	\$ -	\$ 253,894	\$ (253,894)

**Note 5 – Deposits**

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

	2018
Demand deposits	\$ 306,902
Total deposits	306,902
Total deposits	\$ 306,902

**Deposits**

Deposits are collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

**Note 6 – 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.

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

**GREENE TOWNSHIP  
TRUMBULL COUNTY**  
*NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018*

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**Note 7 – Risk Management**

**Risk Pool Membership**

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the Township's policy. The Pool covers the following risks:

- General liability and casualty;
- Public official's liability;
- Cyber;
- Law enforcement liability;
- Automobile liability;
- Vehicles;
- Property; and
- Equipment breakdown.

The Pool reported the following summary of actuarially-measured liabilities and the assets available to pay those liabilities as of December 31:

	2018
Cash and investments	\$33,097,416
Actuarial liabilities	\$7,874,610

**Note 8 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

All Township employees except Karl Evans, who opted to contribute to SSI, 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, 2018.

***Social Security***

One Township employee 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, 2018.

**GREENE TOWNSHIP  
TRUMBULL COUNTY**  
*NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018*

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**Note 9 – 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 2018. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2018.

**Note 10 – 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. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. The Township's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the Township's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.



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

November 18, 2022

Greene Township  
Trumbull County  
8964 State Route 46  
North Bloomfield, OH 44450

To the Board of Trustees:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts and disbursements by fund type of **Greene Township**, Trumbull County, (the Township) as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements and have issued our report thereon dated November 18, 2022, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying schedule of audit findings that we consider material weaknesses. We consider findings 2019-001, 2019-002, 2019-004, 2019-008, and 2019-009 to be material weaknesses.

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations  
Members: American Institute of Certified Public Accountants  
• Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners • Association of Certified Anti-Money Laundering Specialists •

***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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2019-003 through 2019-008.

***Township's Response to Findings***

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

***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



**Perry and Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

**GREENE TOWNSHIP  
TRUMBULL COUNTY**

**SCHEDULE OF AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

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

**FINDING NUMBER 2019-001**

**Material Weakness**

**Financial Reporting**

The Township should have procedures and controls in place to help prevent and detect errors in financial reporting. Fund balances should be properly classified based on Governmental Accounting Standards Board Statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions.

Receipts, disbursements, fund balances and note disclosures were not always posted or classified correctly. The following errors were noted:

- Numerous adjustments were made due to prior audit adjustments being incorrectly posted to the Township's ledgers;
- In 2019 and 2018, the Township did not properly classify fund balances for all Governmental Funds;
- Property tax receipts in 2018 and 2019 were improperly recorded at net instead of gross.
- The Township has not submitted the required paperwork to the Ohio Department of Taxation to receive receipts from the Agency, therefore all revenue due to the Township has not been received;
- The Township's annual report did not agree to the Township's manual ledgers, therefore numerous adjustments and reclassifications were necessary to properly present the financial statements;
- Budgetary table for 2019 and 2018 footnote disclosures were not accurate;
- Deposit footnote for 2019 and 2018 was not included in the annual report;

Not posting receipts, disbursements, or classifying fund balances accurately resulted in the financial statements requiring reclassifications and adjustments. The Township has agreed to all financial statement adjusting journal entries and posted them in its accounting system. The financial statements reflect all reclassifications and adjustments.

To help ensure accuracy and reliability in the financial reporting process, we recommend the management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all receipts, disbursements, and fund balances are properly identified and classified on the financial statements and all footnote disclosures are reported and accurate.

We also recommend the Fiscal Officer refer to the Ohio Township Handbook for guidance to determine proper establishment of receipt and disbursement accounts and posting of receipts and disbursements. We also recommend the Fiscal Officer refer to Auditor of State Bulletin 2011-004 to determine proper classification of Fund Balances.

**Management's Response** – We did not receive a response from management to the finding above.

**GREENE TOWNSHIP  
TRUMBULL COUNTY**

**SCHEDULE OF AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2019-002**

**Material Weakness**

**Bank Reconciliations**

The Fiscal Officer did not prepare accurate monthly reconciliations of bank balances to book balances. The amount on the reconciliation provided for audit did not match the accounting records for either 2018 or 2019. The detailed outstanding check listing total did not agree to the total used for the bank reconciliation. We were able to recreate bank reconciliations during the audit that agreed to the cash journal. We also noted bank reconciliations were not provided to the Trustees on a monthly basis for review and approval.

We recommend the Fiscal Officer prepare detailed bank reconciliations that include all bank account balances being reconciled to total book balance as well as an accurate outstanding check and deposit in transit listing. The Fiscal Officer should reconcile activity entered in the manual ledgers to the bank balance. Copies of bank reconciliations should be presented to the Board of Trustees for review, approval, and use in managing of the Township by the Board of Trustees.

**Management's Response** – We have contracted to utilize the UAN system to improve payment tracking and reconciliation.

**FINDING NUMBER 2019-003**

**Noncompliance**

**Ohio Revised Code Section 117.38** states, in part, cash-basis entities must file annual reports with the Auditor of State within 60 days of the fiscal year end. The Auditor of State may prescribe by rule or guidelines the forms for these reports. However, if the Auditor of State has not prescribed a reporting form, the public office shall submit its report on the form used by the public office. The report shall contain the amount of: (A) receipts, and amounts due from each source; (B) expenditures for each purpose; (C) income of any public service industry that the entity owns or operates, as well as the costs of ownership or operation; and (D) public debt of each taxing district, the purpose of the debt, and how the debt will be repaid. Also, the public office must publish notice in a local newspaper stating the financial report is available for public inspection at the office of the chief fiscal officer.

The Township did not file the 2018 and 2019 Annual Financial Reports with the Auditor of State's office within the 60 day requirement. The Township also did not publish notice in a local newspaper stating the financial report is available for public inspection.

We recommend the Township file an accurate financial report by the required deadline and publish a notice in the local newspaper.

**Management's Response** – Financial Statements will be filed in a timely manner, due to clarification of certification of funds.

**GREENE TOWNSHIP  
TRUMBULL COUNTY**

**SCHEDULE OF AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2019-004**

**Material Weakness/Noncompliance**

**Budgetary Controls**

The budget is an instrument of public policy: A governing board expresses its desires for using a government's limited resources through its appropriations. Ohio Rev. Code Section 5705 deals with a variety of budgetary requirements that all subdivisions must comply with in order to ensure fiscal responsibility.

In performing the audit we noted several violations of budgetary law which, although they do not in and of themselves, result in errors in financial reporting, may lead to the Township making financial decisions based on incorrect or incomplete information. We noted the following:

- Violations of 5705.36 (A)(1) relating to certification of estimated resources and beginning balances;
- Violations of 5705.38 relating to not passing an annual appropriation resolution in 2018;
- Violations of 5705.39 indicating appropriations cannot exceed estimated resources;
- Violations of 5705.41(B) stating no subdivision is to expend money unless it has been appropriated (expenditures exceeded appropriations);
- Violations of 5705.41(D) relating to expenditures having prior certification of availability of funds;
- Violations of 5705.10(I) relating to negative fund balances.

In addition, The Township did not have a control procedure in place to ensure that appropriations and estimated receipts, as authorized by the Board of Trustees and approved by the County Budget Commission, were reconciled to the appropriations and estimated receipts posted to the manual ledgers.

This resulted in incorrect amounts posted to the accounting system and information available to Township officials to monitor year-to-date total comparison of budgeted amounts versus actual amounts was not accurate. We recommend the Township implement procedures to ensure appropriations and estimated receipts are accurately posted to the manual ledgers and reconciled to the amounts approved by the budget commission after each amendment.

The Board does not monitor for budgetary compliance. Although the Board approves budgets for revenue and expenses and receives monthly reports of budget and actual information, it does not ensure budgetary forms are properly completed, submitted to the County Budget Commission timely.

The Board should review the requirements of ORC section 5705 to be familiar with these laws and to make sure the Township is complying with applicable sections. We recommend the Township establish a procedure that ensures budgetary forms are submitted to the County accurately and timely. This could include a checklist of forms and due dates. Trustees should also consider the need to move from a manual system to a computerized system that will incorporate budgetary requirements. If the Board does not consider this necessary steps should be taken to make sure amounts are encumbered (purchase orders are used and assigned to each purchase prior to ordering), certifications of available funds are done by the Fiscal Officer prior to purchasing and unencumbered balances are tracked for each line item.

**Management's Response** – These will be corrected in the future with approved adjustments and noting accuracy of meeting minutes.

GREENE TOWNSHIP  
TRUMBULL COUNTY

SCHEDULE OF AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2019-005

**Noncompliance**

**Ohio Rev. Code section 149.351(A)** establishes guidelines against the destruction or damage of records. All records are the property of the public office and shall not be mutilated, transferred or otherwise damaged or disposed of, in whole or in part, except as provided by law.

During our testing, we noted that 6 out of 22 expenditures tested in 2018 and 2 out of 24 expenditures tested in 2019 did not have supporting documentation. Invoices related to these expenditures had to be requested from vendors to determine if the expenditure were for the proper public purpose. We determined that the expenditures were for the proper public purpose.

Inadequate supporting documentation eliminates a significant control point, obscures the audit trail and provides for the opportunity for errors and irregularities occurring and not being detected by management in a timely manner. In addition, lack of adequate supporting documentation could result in the Township making inappropriate disbursements for goods or services not actually received by the Township.

We recommend that no payment be made from the Township that is not supported by an approved voucher package that would include an original receipt or invoice.

**Management's Response** – We have acquired office space to better protect documentation.

FINDING NUMBER 2019-006

**Noncompliance**

**26 U.S.C. Section 3402 and Ohio Rev. Code Section 5747.06** requires every employer, including the state and its political subdivisions making payments of any compensation to an employee who is a taxpayer, to deduct and withhold from such compensation for each payroll period a tax substantially equivalent to the tax reasonably estimated to be due under this chapter with respect to the amount of such compensation included in his adjusted gross income during the calendar year.

We did not receive support that showed the Fiscal Officer submitted the Form 941 quarterly reports timely as required by the IRS for the audit period. In addition, the payments made for federal withholdings were not paid timely for either year.

We did not receive support that showed the Fiscal Officer submitted the Form OH-501 quarterly reports timely as required by the Ohio Department of Taxation for the audit period. In addition, the payments made for state withholdings were not paid timely for either year.

The Township may incur penalties to the Internal Revenue Service and State of Ohio due to delayed remittance of withholding taxes.

We recommend the Fiscal Officer remit the required amounts and file the required reports when completing the last payroll of each quarter to avoid accrual of interest and penalties.

**Management's Response** – The recommendation will be followed and has been corrected.

**GREENE TOWNSHIP  
TRUMBULL COUNTY**

**SCHEDULE OF AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2019-007**

**Noncompliance**

**Ohio Revised Code Section 121.22(C)** states, in part, that the minutes of a regular or special meeting of any public body shall be promptly prepared, filed and maintained and shall be open to public inspection.

From our review of the Township's records, we noted the minutes of the Township Trustees were not signed and kept in an official minute book. Due to not receiving an official signed minute book, we were not able to confirm that minutes were being approved by the Trustees.

The Township's failure to maintain the minutes and resolutions of the Township Trustees in a permanent bound record with all other meetings and resolutions resulted in the Township not being able to provide the minutes for all the Township Trustees meetings held during the audit period.

We recommend the Fiscal Officer take necessary care in the preparation of the minutes to document all official actions and Township Trustees carefully review the minutes to ensure their accuracy.

**Management's Response** – This recommendation has been put in place currently.

**FINDING NUMBER 2019-008**

**Material Weakness/Noncompliance**

**Ohio Rev. Code § 507.09(A)(5) and 505.24(A)(1)** In calendar year 2018, in a Township having a budget of \$250,000 or less, the annual compensation of the township fiscal officer shall be \$10,918 and each township trustee shall be paid \$40.41 per day not to exceed 200 days ( $\$40.41 * 200 = \$8,082$ ).

The Township's 2018 Certificates of Estimated Resources as approved by the County Budget Commission on October 19, 2017 indicated certified amounts for all funds of \$137,751.03. Ohio Attorney General Opinions 92-003 and 99-015 indicate that, under Section 505.24 a Township's Certificate of Estimated Resources is to be used in order to determine the appropriate compensation level for the Township Trustees and Fiscal Officer.

As such, the maximum annual salary for the fiscal officer and each trustee based on the budget should have been \$10,918 and \$8,082, respectively.

A review of the payroll records indicate Yevonne Postlethwait, fiscal officer, was paid annual total compensation of \$13,370 during 2018 and as a result, an overpayment of \$2,452 occurred. James Wakefield and William Barnett, township trustees were paid annual total compensation of \$9,360 during 2018 and as a result, an overpayment of \$1,278 occurred for each of these two trustees, and Karl Evans, (former) township trustee was paid total compensation of \$8,914 during 2018 and as a result, an overpayment of \$832 occurred. Yevonne Postlethwait received or collected the public money used to make the erroneous payments.

The Township should approve estimated resources with the County to confirm compensation through the State of Ohio and follow the Ohio Compensation chart for correct compensation.

**Management's Response** – Estimated resources shall be submitted as required.

**GREENE TOWNSHIP  
TRUMBULL COUNTY**

**SCHEDULE OF AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

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

**FINDING NUMBER 2019-009**

**Material Weakness**

**Internal Controls and Segregation of Duties**

When designing the public office's system of internal control and the specific control activities, management should plan for adequate segregation of duties or compensating controls. Segregation of duties provides two significant benefits: (1) a deliberate fraud is more difficult because it requires collusion of two or more persons and (2) it is more likely an error will be detected.

The small size of the Township's staff did not allow for an adequate segregation of duties; the Fiscal Officer performed all accounting functions. Therefore, for those cycles for which segregation of duties is not possible, the Board of Trustees should take on an active role in the operations of the Township, including review of monthly reconciliations, review of receipt and disbursement ledgers and budget vs actual reports.

There was no documentation in the minutes of the Board's approval of bank reconciliations, monthly activity of revenues and expenditures, or budget versus actual reports received at monthly meetings.

The Board of Trustees do not have a policy in place that addresses the review of financial information on a regular basis.

This lack of segregation of duties and accompanying control procedures to address segregation of duties might lead to errors going undetected.

Financial information should be presented to the Board of Trustees for review on a regular basis. This information should include, but is not limited to, monthly bank reconciliations, as well as monthly revenue and expenditure activity by fund, list of checks written and budget versus actual reports. The presentation, review and approval of these reports should be documented in the minutes of the Township's meetings.

**Management's Response** – This recommendation has been put in place currently.



**GREENE TOWNSHIP  
TRUMBULL COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

Finding Number	Finding Summary	Status	Additional Information
2017-001	Posting Receipts, Disbursements, and Fund Balances	Not Corrected	Repeated as Finding 2019-001
2017-002	Ohio Revised Code 117.38 Filing annual reports	Not Corrected	Repeated as Finding 2019-003
2017-003	Ohio Revised Code 505.24(C) Trustee compensation allocation	Corrected	N/A
2017-004	Budgetary Controls	Not Corrected	Repeated as Finding 2019-004
2017-005	Bank Reconciliations	Not Corrected	Repeated as Finding 2019-002
2017-006	Ohio Revised Code 149.351(A)	Not Corrected	Repeated as Finding 2017-005
2017-007	26 U.S.C. Section 3402 and Ohio Revised Code 5747.06	Not Corrected	Repeated as Finding 2019-006
2017-008	Ohio Revised Code 9.38 Timely deposits	Corrected	N/A
2017-009	26 Code of Federal Regulations 1.6041-2	Corrected	N/A
2017-010	Ohio Revised Code Section 507.03	Corrected	N/A
2017-011	Ohio Revised Code Section 121.22(C)	Not Corrected	Repeated as Finding 2019-007
2017-012	Ohio Revised Code Section 733.28	Corrected	N/A
2017-013	Ohio Revised Code Section 5705.36(A)(1)	Partially Corrected	Repeated as Finding 2019-004
2017-014	Internal Control and Segregation of Duties	Not Corrected	Repeated as Finding 2019-009

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# OHIO AUDITOR OF STATE KEITH FABER



**GREENE TOWNSHIP**

**TRUMBULL 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 3/14/2023**

88 East Broad 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](http://www.ohioauditor.gov)