



OHIO AUDITOR OF STATE
KEITH FABER



**GREENE TOWNSHIP
TRUMBULL COUNTY**

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

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Trustees:

Report on the Audit of the Financial Statements

Qualified and Adverse Opinions

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

Basis for Additional Opinion Qualification

During 2022 and 2023, the Township hired an independent public accountant to perform a proof of cash for each month, reconciling bank balances to accounting system balances. All identified accounting system corrections were posted as fund balance adjustments, not corrections to receipt or disbursement accounts. The 2022 and 2023 financial statements, did not account for the proof of cash corrections. As a result, the 12/31/22 financial statements' total fund balances were overstated by \$20,458 when compared to the corrected accounting system total fund balances (\$658,325 versus \$637,867). At the 12/31/23, financial statements' total fund balances were overstated by \$6,730 when compared to the corrected accounting system total fund balances (\$660,001 versus \$653,271). The Township decided not to adjust the financial statements due to fund balances in the accounting system being correct as of December 31, 2023.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township, as of December 31, 2023 and 2022, or the changes in financial position thereof for the year then ended.

Qualified Opinion on Regulatory Basis of Accounting

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

Basis for Opinions

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

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2025, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

KEITH FABER
Ohio Auditor of State



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

December 4, 2025

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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, 2023

	General	Special Revenue	Capital Projects	Permanent	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$45,378	\$115,354			\$160,732
Charges for Services		2,113			2,113
Licenses, Permits and Fees	290				290
Intergovernmental	33,577	161,001	\$ 127,076		321,654
Earnings on Investments	43	78		\$ 4	125
Miscellaneous		450			450
<i>Total Cash Receipts</i>	<i>79,288</i>	<i>278,996</i>	<i>127,076</i>	<i>4</i>	<i>485,364</i>
Cash Disbursements					
Current:					
General Government	92,485	21,770			114,255
Public Safety		79,192			79,192
Public Works		85,400	88,758		174,158
Health		2,823			2,823
Capital Outlay			117,289		117,289
<i>Total Cash Disbursements</i>	<i>92,485</i>	<i>189,185</i>	<i>206,047</i>		<i>487,717</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>(13,197)</i>	<i>89,811</i>	<i>(78,971)</i>	<i>4</i>	<i>(2,353)</i>
Other Financing Receipts					
Other Financing Sources	4,029				4,029
<i>Total Other Financing Receipts</i>	<i>4,029</i>				<i>4,029</i>
<i>Net Change in Fund Cash Balances</i>	<i>(9,168)</i>	<i>89,811</i>	<i>(78,971)</i>	<i>4</i>	<i>1,676</i>
<i>Fund Cash Balances, January 1</i>	<i>28,461</i>	<i>536,820</i>	<i>88,758</i>	<i>\$4,286</i>	<i>658,325</i>
<i>Fund Cash Balances, December 31</i>	<i>\$19,293</i>	<i>\$626,631</i>	<i>\$9,787</i>	<i>\$4,290</i>	<i>\$660,001</i>

See accompanying notes to the basic financial statements

Greene Township
Trumbull County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of 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, and zoning. The Township contracts with the Greene Volunteer Fire & Rescue, Inc to provide fire services and Johnston & Bristol Townships to provide ambulance services.

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

OTARMA – a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments (“Members”).

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Township’s financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, which is all 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 inflows of short-term financial resources from current activities other than transfers that are restricted or committed to use for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

Gasoline 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.

Greene Township
Trumbull County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Fire and Emergency Medical Services Fund – This fund receives property tax money for emergency services including fire protection and emergency medical services.

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 outflows of short-term financial resources 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.

Basis of Accounting

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

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

Budgetary Process

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

Appropriations - Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund 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.

Greene Township
Trumbull County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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 2023 budgetary activity appears in Note 3.

Deposits and Investments

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Capital Assets

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

Leases and SBITAs

The summary of significant accounting policies should describe the accounting treatment for SBITAs. Greene Township only has a short-term contract with AOS for UAN.

Settlement Monies

Greene has not received any settlement monies.

Fund Balance

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

Nonspendable - The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township and the nonspendable portion of the corpus in permanent funds.

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

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

Greene Township
Trumbull County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Assigned - Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 9.

Note 3 – Budgetary Activity

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

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$63,242	\$79,288	16,046
Special Revenue	122,543	278,996	156,453
Capital Projects	0	127,076	127,076
Permanent	0	4	4
Total	\$185,785	\$485,364	\$299,579

Greene Township
Trumbull County
Notes to the Financial Statements
For the Year Ended December 31, 2023

<u>2023 Budgeted vs. Actual Budgetary Basis Expenditures</u>			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$119,879	\$92,485	\$27,394
Special Revenue	578,000	189,185	388,815
Capital Projects	88,758	206,047	(117,289)
Total	\$786,637	\$487,717	\$298,920

Contrary to Ohio law, appropriation authority exceeded estimated resources in the Motor Vehicle Fund, Gasoline Tax Fund, and Fire District Fund by \$60, \$40,571, and \$2,991 respectively, for the year ended December 31, 2023.

Note 4 – Deposits and Investments

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

<i>Cash Management Pool:</i>	<u>2023</u>
	<u><u>\$660,001</u></u>
Demand deposits	<u><u>660,001</u></u>
Total deposits	<u><u>660,001</u></u>

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or 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, Farmers National Bank.

Note 5 – Property Taxes

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

Greene Township
Trumbull County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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

Note 6 – Risk Management

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

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 (local entity's) policy. The Pool covers the following risks:

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

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

	<u>2023</u>
Cash and investments	\$33,494,457
Actuarial liabilities	\$10,885,549

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System (Delete note if no employees are entitled to these benefits)

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

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

Greene Township
Trumbull County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 8 – Postemployment Benefits

OPERS offer cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

Accounts that retirees use to be reimbursed for health care expenses. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves. OP&F contributes 0.5 percent to fund these benefits.

Note 9 – Fund Balances

Included in fund balance are amounts the Township cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the township did not have any outstanding encumbrances.

Fund Balances	General	Special Revenue	Capital Projects	Permanent	Total				
Nonspendable:									
Unclaimed Monies	\$0	\$0	\$0	\$0	\$0				
Corpus	0	0	0	4,259	4,259				
Outstanding Encumbrances	0	0	0	0	0				
Total	\$0	\$0	\$0	\$4,259	\$4,259				

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

Greene Township
Trumbull County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. No monies were spent in the calendar year 2023. Unspent monies at year-end were \$100,501.

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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, 2022

	General	Special Revenue	Capital Projects	Permanent	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$42,468	\$116,740			\$159,208
Charges for Services	598	4,540			5,138
Licenses, Permits and Fees	2,904				2,904
Intergovernmental	28,502	208,163			236,665
Earnings on Investments	45	61			106
Miscellaneous	6,244	3,412			9,656
<i>Total Cash Receipts</i>	<u>80,761</u>	<u>332,916</u>			<u>413,677</u>
Cash Disbursements					
Current:					
General Government	90,587	1,638			92,225
Public Safety		118,887			118,887
Public Works		16,222	\$ 28,594		44,816
Health		601			601
<i>Total Cash Disbursements</i>	<u>90,587</u>	<u>137,348</u>	<u>28,594</u>		<u>256,529</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(9,826)</u>	<u>195,568</u>	<u>(28,594)</u>		<u>157,148</u>
<i>Net Change in Fund Cash Balances</i>	<u>(9,826)</u>	<u>195,568</u>	<u>(28,594)</u>		<u>157,148</u>
<i>Fund Cash Balances, January 1</i>	<u>38,287</u>	<u>341,252</u>	<u>117,352</u>	<u>\$4,286</u>	<u>501,177</u>
<i>Fund Cash Balances, December 31</i>	<u>\$28,461</u>	<u>\$536,820</u>	<u>\$88,758</u>	<u>\$4,286</u>	<u>\$658,325</u>

See accompanying notes to the basic financial statements

Greene Township
Trumbull County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 – Reporting Entity

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Public Entity Risk Pool

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

OTARMA – a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments (“Members”).

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Greene Township
Trumbull County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Fire and Emergency Medical Services Fund – This fund receives property tax money for emergency services including fire protection and emergency medical services.

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 Projects 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 financial 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.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The 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 (C) permit.

Budgetary Process

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

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level 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 unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

Greene Township
Trumbull County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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

A summary of 2022 budgetary activity appears in Note 3.

Deposits and Investments

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Capital Assets

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

Fund Balance

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

Nonspendable The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township and the nonspendable portion of the corpus in permanent funds.

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

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

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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

Greene Township
Trumbull County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 9

Note 3 – Budgetary Activity

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

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted	Actual	Variance
	Receipts	Receipts	
General	\$60,891	\$80,761	19,870
Special Revenue	187,057	332,916	145,859
Total	<u>\$247,948</u>	<u>\$413,677</u>	<u>\$165,729</u>

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation	Budgetary	Variance
	Authority	Expenditures	
General	\$0	\$90,587	(\$90,587)
Special Revenue	0	137,348	(137,348)
Capital Projects	0	28,594	(28,594)
Total	<u>\$0</u>	<u>\$256,529</u>	<u>(\$256,529)</u>

Contrary to Ohio law, the Township failed to pass an annual appropriation resolution in 2022 resulting in budgetary expenditures exceeding appropriation authority in all funds.

Greene Township
Trumbull County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 4 – Deposits

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

<u>2022</u>	
<i>Cash Management Pool:</i>	
Demand deposits	<u>\$658,325</u>
Total Deposits	<u><u>\$658,325</u></u>

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or 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 Cortland Bank / Farmers National Bank.

Note 5 – Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead 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 6 – 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

Greene Township
Trumbull County
Notes to the Financial Statements
For the Year Ended December 31, 2022

- Property
- 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>2022</u>
Cash and investments	\$32,288,098
Actuarial liabilities	\$9,146,434

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Note 8 – Postemployment Benefits

OPERS offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2022.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan.

Greene Township
Trumbull County
Notes to the Financial Statements
For the Year Ended December 31, 2022

OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

Note 9 – Fund Balances

Included in fund balance are amounts the Township cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the township did not have any outstanding encumbrances.

Fund Balances					
	General	Special Revenue	Capital Projects	Permanent	Total
Nonspendable:					
Unclaimed Monies	\$0	\$0	\$0	\$0	\$0
Corpus	0	0	0	4,253	4,253
Outstanding Encumbrances	0	0	0	0	0
Total	\$0	\$0	\$0	\$4,253	\$4,253

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

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. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2022, the Township received COVID-19 funding in the amount of \$50,323. No monies were spent in the calendar year 2022. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. The impact on the Township's future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.



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

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

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

To the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2023 and 2022 and the related notes to the financial statements of Greene Township, Trumbull County, Ohio (the Township) and have issued our report thereon dated December 4, 2025, wherein we noted the Township followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. We qualified our opinion on total fund balances for 2022 and 2023 because the Township was not reconciled and proof of cash accounting system corrections were posted as fund balance adjustments, not corrections to receipt or disbursement accounts. The 2022 and 2023 financial statements, also did not account for the proof of cash corrections.

Report on Internal Control Over Financial Reporting

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

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control that we consider to be material weaknesses and a significant deficiency.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings as items 2023-001, 2023-002, 2023-004, 2023-006 and 2023-009 to be material weaknesses.

Greene Township
Trumbull County
Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed 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 2023-003 through 2023-008.

Township's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Township's responses to the findings identified in our audit and described in the accompanying schedule of findings. The Township's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of This Report

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

KEITH FABER
Ohio Auditor of State



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

December 4, 2025

**GREENE TOWNSHIP
TRUMBULL COUNTY**

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

1. Financial Reporting

FINDING NUMBER 2023-001

Material Weakness

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

The Township had the following errors identified for the year ended December 31, 2022:

- Homestead and rollback receipts in the amount of \$6,700 were misclassified as Property and Other Local Taxes rather than Intergovernmental Revenue in the General Fund.
- Homestead and rollback receipts in the amount of \$15,287 were misclassified as Property and Other Local Taxes rather than Intergovernmental Revenue in the Special Revenue Fund.
- Receipts in the amount of \$6,824 were misclassified as Special Assessments rather than Miscellaneous \$6,184 and Intergovernmental Revenue \$640 in the General Fund.
- Intergovernmental Revenue receipts in the amount of \$3,535 were misclassified as Other Financing Sources rather than as intergovernmental revenue in the General Fund in 2022.
- The Township transferred monies between funds to correct mispostings made in previous years. Per the Ohio Township Handbook, such corrections should have been made by adjusting each funds' beginning of the year fund balances. The funds were:
 1. from the Gasoline Tax Fund to multiple funds in the amount of \$29,246 to correct mispostings made to property taxes from 2014 through 2019.
 2. from the Fire and EMS Fund to Fire District and Road and Bridge Fund in the amount of \$2,285 and \$784, respectively, to correct mispostings made to property taxes from 2020 through 2021.
 3. from the General Fund to the Fire District Fund in the amount of \$5,777 to correct mispostings made to property taxes from 2020 through 2021. The Township should have just made fund adjustments to the respective funds.
- Budgetary note disclosures were not accurate. In the General Fund, Budgeted Receipts were overstated by \$58,988, Budgeted Appropriations were overstated by \$121,400, and Actual Expenditures were understated by \$5,776. In the Special Revenue Funds, Budgeted Receipts were overstated by \$406,966, Budgeted Appropriations were overstated by \$623,150, and Actual Expenditures were understated by \$32,314. In the Capital Projects Fund, Budgeted Receipts were overstated by \$117,352 and Budgeted Appropriations were overstated by \$117,352.

The Township had the following errors identified for the year ended December 31, 2023:

- Homestead and rollback receipts in the amount of \$6,876 were misclassified as Property and Other Local Taxes rather than Intergovernmental Revenue in the General Fund.
- Homestead and rollback receipts in the amount of \$16,143 were misclassified as Property and Other Local Taxes rather than Intergovernmental Revenue in the Special Revenue Fund.
- Receipts in the amount of \$8,324 were misclassified as Special Assessments rather than Intergovernmental Revenue in the General Fund.
- The Township failed to record OPWC on-behalf receipts and payments for road resurfacing projects in the Capital Projects Fund in the amount of \$117,289.
- Budgetary note disclosures were not accurate. In the General Fund, Budgeted Receipts were understated by \$240. In the Special Revenue Funds, Budgeted Receipts were overstated by \$114,107.

These errors were not identified and corrected prior to the Township preparing its financial statements due to deficiencies in the Township's internal controls over financial statement monitoring. The accompanying financial statements and footnotes have been adjusted to correct these errors. Failing to complete accurate financial statements could lead the Board of Trustees to making misinformed decisions.

To help ensure the Township's financial statements and notes to the financial statements are complete and accurate, the Township should adopt policies and procedures over financial reporting including a final review of the financial statements and notes to the financial statements by the Fiscal Officer and the Board of Trustees, to help identify and correct errors and omissions.

Official's Response: The new FO did not realize there were miscoding and has communicated with the auditors on where to code the incorrect coding and has taken measures to correct future coding of receipts. The FO has had conversations with the auditors on Budgetary notes and they have answered the FO's questions on just exactly what is being asked for in the budgetary notes and will take measures to make sure the future budgetary notes are correct.

2. On-behalf Payments and Expenditures

FINDING NUMBER 2023-002

Material Weakness

Auditor of State Bulletins 2000-008 and 2002-004 provide guidance for local governments participating in on-behalf programs with other governments as to the application of Statement No. 24 of the Governmental Accounting Standards Board. In general, when a local government enters into an on-behalf program agreement with another local government or the State (or the federal government, if applicable), whereby the local government or its residents are the beneficiaries under the agreement, the cash value benefit of the program received under the agreement should be recorded as memorandum receipts and disbursements in the year on-behalf disbursements are made.

There is also budgetary compliance requirements associated with the recording of such program receipts and disbursements:

Once the grant is awarded or the application is approved, the fiscal officer must obtain an official certificate of estimated resources or an amended certificate of estimated resources for all or part of the grant or project, based on the expected cash disbursements to be made on the local government's behalf in the current fiscal year in accordance with Ohio Rev. Code Section 5705.36(A)(3).

Similarly, Federal and State grants or loans are "deemed appropriated" for such purpose by the taxing authority as provided by law and shall be recorded as such by the fiscal officer of the subdivision, and is deemed in process of collection per Ohio Rev. Code § 5705.42. Therefore, Federal and State grants and loans received under Ohio Rev. Code § 5705.42 do not require formal appropriation by the legislative body. In other words, Ohio Rev. Code § 5705.42 effectively eliminates an unnecessary appropriation action by the taxing authority. However, Ohio Rev. Code § 5705.42 directs the fiscal officer to record the appropriation amount in their accounting system. The fiscal officer should also include the appropriated amounts on the (amended) certificate to properly monitor budget versus actual activity.

During 2023, the Township was the beneficiary of Ohio Public Works Commission (OPWC) monies in the amount of \$117,289 and monies that were paid directly to the vendors of OPWC. The Township did not record the OPWC receipt and expenditure transactions relating to these OPWC on-behalf payments, nor did they amend their estimated resources and appropriations to properly budget for the expected grant receipts and expenditures. The Township's financial statements were adjusted to reflect these transactions.

To enhance internal accounting control and help ensure compliance with applicable rules and regulations, the Township, when approved for funding by a State or Federal agency, should follow the reporting requirements summarized by Auditor of State Bulletins 2000-008 and 2002-004, as well as applicable budgetary requirements of the Ohio Revised Code. When the Township receives notice that funds will be expended on its behalf, the Township should certify the available resources to the County Budget Commission and record appropriations to account for the expected grant receipts and expenditures.

Official's Response: The new FO has made a note for future grants to code the 'on-behalf' payments for grant proceeds.

3. Fiscal Officer and Trustee Salary amounts

FINDING NUMBER 2023-003

Noncompliance

Per Ohio Rev. Code §507.09 and Ohio Rev. Code §505.24 township fiscal officer and township trustee's salaries are based on the annual budget of the township. Per the Ohio Township Handbook, the annual budget is the Township's estimate resources or amended estimated resources.

Per Ohio Rev. Code § 5705.36(A)(1), on or about the first day of the year, the fiscal officer of each subdivision shall certify to the county auditor the total amount from all sources available for expenditures from each fund set up in the tax budget.

In 2022 the Township's total estimated resources were \$835,538. The estimated resources were not dated until March 9, 2022. The following errors relate to 2022:

- Based on the budget amount the fiscal officer should have made \$20,062. The fiscal officer only made \$15,048; therefore, she was underpaid by \$5,014.
- Based on the budget amount each Trustee should have made \$60.79 per day for 200 days, which is \$12,158. The Trustees only made \$10,032 each, therefore, each of the three Trustees were underpaid by \$2,126 making the total underpayment to Trustees \$6,378.

In 2023 the Township's total estimated resources were \$809,730. The estimated resources were not dated until January 31, 2023. The following errors related to 2023:

- Based on the budget amount the fiscal officer should have made \$20,413. The Township split the fiscal officer position between two people in 2023 starting in February. Therefore, the original fiscal officer should have made \$11,057, however, was only paid \$10,867. Therefore, she was underpaid by \$190. The fiscal officer that was hired in February should have made \$9,356, however, was only paid \$9,195. Therefore, she was underpaid by \$161.
- Based on the budget amount each Trustee should have made \$61.85 per day for 200 days, which is \$12,370. The Trustees only made \$12,158 each, therefore, each of the three Trustees were underpaid by \$212 making the total underpayment to Trustees \$636.

The Township did not have proper controls in place to detect these errors.

The Township should follow the Ohio Revised Code for paying Trustees and the Fiscal Officer. Additionally, the estimated resources should be passed at the beginning of the year to verify the correct salary amounts are being paid.

Official's Response: The new FO gives the wage compensation sheets and the Certificate of Resources to the Trustees at the beginning of the year, and when there is an amended cert of resources. We realize this was not the case in the past, the new FO has taken measures to correct this. The Trustee and FO wages will be watched going forward to make sure that the compensation is correctly paid.

4. Timely Remittances

FINDING NUMBER 2023-004

Material Weakness/Noncompliance

26 USC Sections 3102 and 3402 require the employing government to withhold federal and employment related taxes (such as Medicare and Social Security) from each employee. Furthermore, these chapters hold employers liable for reporting and payment of these taxes.

The Township withholds federal taxes from employee's paychecks. However, in 2022, the Township did not complete 941 forms for the IRS (Employer's Quarterly Federal Tax Returns). The Township started filing these forms in 2023 with the IRS.

Improperly remitting federal withholdings to the IRS can result in penalties and interest payments. The Township is paying penalties and interest for this.

The federal withholdings for the first quarter of 2022 were not remitted until May 2022. The federal

withholdings for the second, third and fourth quarters of 2022 were not remitted until March 2023.

The federal withholdings for the first quarter of 2023 were not remitted until April 2023. The federal withholdings for the second quarter of 2023 were not remitted until July 2023. The federal withholdings for the third quarter of 2023 were not remitted until October 2023. Lastly, the federal withholdings for the fourth quarter of 2023 were not remitted until December 2023. These are not considered timely payments.

Additionally, it was noted that remittances for federal withholdings for the third and fourth quarter of 2021 were not remitted until May 2022.

Additionally, in 2023 it was noted that \$26,634.44 was paid to the IRS for penalties and interest for the years 2013-2022. It was noted that 43% of this was paid from the general fund, 54% was paid from the Gasoline tax fund, and 3% was paid from the road and bridge fund. Based on actual wages paid in 2022, the percentages should have been 48%, 49% and 3%, respectively.

Additionally, it was noted in July 2023 that \$11,004.29 was paid to the IRS. This was for taxes that were never remitted to the IRS for the years 2014 - 2021. These are not considered timely payments.

Additionally, State of Ohio taxes for the first quarter of 2022 were not remitted until May 2022. The State of Ohio withholdings for the second, third and fourth quarters of 2022 were not remitted until February 2023. These payments resulted in \$1.46 in interest fees. The State of Ohio withholdings for the first quarter of 2023 were not remitted until April 2023. The State of Ohio withholdings for the second quarter of 2023 were not remitted until July 2023. The State of Ohio withholdings for the third quarter of 2023 were not remitted until October 2023. The State of Ohio withholdings for the fourth quarter of 2023 were not remitted until December 2023. These are not considered timely payments.

Additionally, it was noted that remittances for state withholdings for the third and fourth quarter of 2021 were not remitted until May 2022. These included \$3.33 in interest fees.

Additionally, while reviewing OPERS remittances for 2022 it was determined that remittances were not made timely. We also noted that \$281.79 in penalties and interest were paid for 2022 withholdings. The Township also underpaid OPERS for June 2022 by \$192. While reviewing OPERS remittances for 2023 it was determined that remittances were not made timely. We also noted \$137.74 in penalties and interest that were paid for 2023 withholdings.

Additionally, it was noted that the OPERS withholdings for the last two months of 2021 were not remitted until February 2022. This included \$20.11 in interest and penalty fees.

All of the above paid late fees were noted in the 2020-2021 audit as findings for recovery. The Township was repaid in full for all these findings for recovery in 2024.

The Township did not have controls in place to prevent or detect these errors.

The Township should remit withholdings in a timely manner and avoid having to pay late fees and penalties.

Official's Response: The Fiscal Department has been working on this finding since 2023. The finding has been corrected. The new FO has/will make sure that withholdings are paid in a timely manner.

5. Annual Appropriation Measure

FINDING NUMBER 2023-005

Noncompliance

Ohio Rev. Code § 5705.38 provides that on or about the first day of each fiscal year, the taxing authority of each subdivision or other taxing unit shall pass an appropriation measure, and thereafter during the year it may pass any supplemental appropriation measures as it finds necessary, based on the revised tax budget or the official certificate of estimated resources or amendments of the certificate. If it desires to postpone the passage of the annual appropriation measure until an amended certificate is received based on the actual balances, it may pass a temporary appropriation measure for meeting the ordinary expenses of the taxing unit until no later than the first day of April of the current year, and the appropriations made in the temporary measure shall be chargeable to the appropriations in the annual appropriation measure for that fiscal year when passed.

In 2022 and 2023, the Township passed a resolution stating that they would allow the Fiscal Officer to make temporary appropriations. They did not list out any temporary appropriations that were approved by the Trustees.

In 2022, the Township did not pass permanent appropriations. Therefore, the appropriation amounts originally shown in the 2022 budgetary notes to the financial statements were overstated. In 2023, the Township passed permanent appropriations, but not until April 3, 2023.

The Township should implement policies and procedures to ensure annual appropriation measures are approved and in place at the beginning of the fiscal year prior to expenditures being made. Failure to do so could result in the Township spending money improperly and potential findings for recovery in future audits.

Official's Response: The new FO has corrected and has explained the appropriation procedure for the township to the Trustees. The new FO has/will list out the temporary appropriations from the Original Certificate of Resources that is provided to the Twp by the County Auditor that the Trustees approve. In 2022 the Township did approve the permanent appropriations, that resolution was never put in the minutes via the previous FO. The new FO has corrected the previously and incorrect way that the temporary appropriations and the permanent appropriations are approved and will make sure that the deadlines for the appropriations are met.

6. 505.24 Township Trustees' Compensation

FINDING NUMBER 2023-006

Noncompliance and Material Weakness

Ohio Rev. Code § 505.24(C) sets forth the method by which township trustees' compensation should be allocated. By summary, Ohio Revised Code § 505.24(C) permits trustees to receive per diem payments or annual salaries if voted upon unanimously by the township board of trustees.

If using the annual salary compensation method, the amount of the annual salary approved by the board shall be no more than the maximum amount that could be received annually by a trustee if the trustee were paid on a per diem basis as specified in Ohio Revised Code § 505.24(C), and

shall be paid from the township general fund or from other township funds in such proportions as the board may specify by resolution. Each trustee shall certify the percentage of time spent working on matters to be paid from the township general fund and from other township funds in such proportions as the kinds of services performed.

In 2022 and 2023 the Township passed a resolution to pay the Trustees by the salary method, and that it would be compensated 15% to the General Fund, 80% to the Gasoline Tax Fund, and 5% to the Road and Bridge Fund.

In 2022, we noted the Trustees' did not have certificates supporting their time spent working on matters for the Gasoline Tax Fund nor the Road and Bridge Fund. Based on this, all of their gross salaries as well as employer contributions should have been paid from the General Fund. In total this results in \$28,106.40 and \$1,659.84 being improperly paid from the Gasoline Tax Fund and Road and Bridge Fund, respectively for gross payroll and related employer contributions (OPERS and Medicare) for 2022. These amounts should have been paid from the General Fund.

In 2023, we noted the Trustees' did not consistently have certificates supporting their time spent working on matters for the Gasoline Tax Fund nor the Road and Bridge Fund. Based on this, a portion of their gross salaries as well as employer contributions should have been paid from the General Fund. In total this results in \$1,014.03 and \$284.60 being improperly paid from the Gasoline Tax Fund and Road and Bridge Fund, respectively for gross payroll and related employer contributions (OPERS and Medicare) for 2023. These amounts should have been paid from the General Fund. In addition, we noted two instances where the Township paid the full amount of employer contributions (OPERS and Medicare) out of the Gasoline Tax Fund, rather than allocating 5% to the Road and Bridge fund as specified on the Trustees' certifications. This resulted in \$15.65 being improperly paid from the Gasoline Tax Fund. This amount should have been paid from the Road and Bridge Fund.

These errors resulted in misstatements to the financial statements. Management has made the following adjustments for wage and employer benefits to the accompanying financial statements and the accounting records:

- \$29,120.43 from the General fund in favor of the Gasoline Tax Fund
- \$1,944.44 from the General fund in favor of the Road and Bridge Fund
- \$15.65 from the Road and Bridge Fund in favor of the Gasoline Tax Fund

The Township should draft, approve, and implement policies and procedures to help ensure compensation and certifications are made in accordance with Ohio Rev. Code § 505.24.

Official's Response: This finding has been corrected by the new FO. Payroll certifications for Trustees are completed and signed on the day of the meeting by the FO & the Trustees Also, the Payroll Certification form does not have any other fund on the payroll certification to confuse the payroll.

7. Appropriations Exceeding Estimated Resources

FINDING NUMBER 2023-007

Noncompliance

Ohio Rev. Code § 5705.39 provides that total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure there-from, as certified by the county budget commission, or in case of appeal, by the board of tax appeals. No appropriation measure shall become effective until the county auditor files with the appropriating authority a certificate that the total appropriations from each fund, taken together with all other outstanding appropriations, do not exceed such official estimate or amended official estimate. For purposes of this section of the Ohio Revised Code, estimated revenue is commonly referred to as "estimated resources" because it includes unencumbered fund balances.

At December 31, 2023 the Township's appropriations exceeded the amount certified as available by the budget commission in the Motor Vehicle License Tax Special Revenue, Gasoline Tax Special Revenue and Fire District 21 Special revenue by \$60, \$40,571 and \$2,991, respectively.

Failure to limit appropriations to the amount certified by the budget commission due to deficiencies in the Township's compliance monitoring policies and procedures could result in overspending and negative cash fund balances.

The Township should draft, approve, and implement procedures to compare appropriations to estimated resources and, if adequate resources are available for additional appropriations, the Township should submit an amended certificate of estimated resources to the budget commission for certification. If the resources are not available to cover the appropriations, an amendment to the appropriation resolution should be passed by the Governing Board to reduce the appropriations.

Official's Response: This is due to the previous FO not filling out the Certification of Resources and applying the cash balance at the year end. The new FO will make sure that the funds are certified every year and will submit to the county the necessary paperwork for certification. The new FO will make sure that if there are any changes with the budget that amended certification of resources will be retained.

8. 5705.41(B) Expenditures Exceeding Appropriations

FINDING NUMBER 2023-008

Noncompliance

Ohio Rev. Code § 5705.41(B) prohibits a subdivision or taxing authority unit from making any expenditure of money unless it has been appropriated in accordance with the Ohio Revised Code.

Due to inadequate policies and procedures in approving and reviewing budget versus actual information, the Township's General Fund, Gasoline Tax Fund, Road and Bridge Fund, Fire District, and Capital Projects Fund had expenditures in excess of appropriations of \$90,587, \$70,436, \$5,750, \$61,162, and \$28,594 respectively, as of December 31, 2022.

Failure to have adequate appropriations in place at the time expenditures are made could cause

expenditures to exceed available resources, further resulting in deficit spending practices.

The Trustees should closely monitor expenditures and appropriations and make the necessary appropriation amendments, if possible, to reduce the likelihood of expenditures exceeding appropriations. Additionally, the Fiscal Officer should deny payment requests exceeding appropriations when appropriations are inadequate to cover the expenditures.

Official's Response: This is due to the previous FO not filling out the Certification of Resources and applying the cash balance at the year end. The new FO will make sure that the funds are certified every year and will submit to the county the necessary paperwork for certification. The new FO will make sure that if there are any changes with the budget that amended certification of resources will be retained.

9. Cash Reconciliation Process Errors

FINDING NUMBER 2023-009

Material Weakness

Sound accounting practices require that when designing the public office's system of internal control and the specific control activities, management should ensure adequate security of assets and records, and verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records.

The reconciliation of cash (bank) balances to accounting system records (book) is the most basic and primary control process performed. Lack of completing an accurate and timely reconciliation may allow for accounting errors, theft and fraud to occur without timely detection. The Fiscal Officer is responsible for reconciling the fund balances to the total bank balances on a monthly basis, and the Board is responsible for reviewing the reconciliations and related support.

Accurate monthly bank to book reconciliations were not prepared or reviewed each month of 2022 and 2023. Failure to reconcile monthly increases the possibility that the Township will not be able to identify, assemble, analyze, classify, and record its transactions correctly or to document compliance with finance related legal and contractual requirements. Further, the lack of accurate monthly reconciliations increases the risk of theft/fraud over the cash cycle and could lead to inaccurate reporting in the annual financial statements.

For 2022 and 2023, the Township hired an independent public accountant to perform a proof of cash for each month, reconciling bank balances to accounting system balances. All identified accounting system corrections were posted as fund balance adjustments, not corrections to receipt or disbursement accounts. The 2022 and 2023 financial statements, also did not account for the proof of cash corrections. As a result, the 12/31/22 financial statements' total fund balances were overstated by \$20,458 when compared to the corrected accounting system total fund balances (\$658,325 versus \$637,867). At the 12/31/23, financial statements' total fund balances were overstated by \$6,730 when compared to the corrected accounting system total fund balances (\$660,001 versus \$653,271). The Township decided not to adjustment the financial statements due to fund balances in the accounting system being correct as of December 31, 2023.

The Fiscal Officer should record all transactions and prepare monthly bank to book cash reconciliations, which include all bank accounts and all fund balances. Variances should be investigated, documented and corrected. In addition, the Board should review the monthly cash reconciliations including the related support (such as reconciling items) and document the reviews.

Official's Response: This is due to the fact the previous FO did not correctly reconcile the bank account and would only reconcile once a year. This has been corrected through a proof of cash done in the 20-21 audit and encompassed the years of 2020-2023 with the help of the new FO. The accounts are now reconciled on a monthly basis. The full bank reconciliation report and bank statements are given to the Trustees on a monthly basis and signed by the Trustees.

Greene Township
8964 State Route 46 N. Bloomfield, Ohio 44450
[**greenetrustees@gmail.com**](mailto:greenetrustees@gmail.com)

Jim Wakefield
330-646-7593

Trustees
Joe Kocab
330-727-1282

Eric Kohler
330-219-9993

Fiscal Officer
Erin Wakefield
330-240-3158

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2022 and 2023

Finding Number	Finding Summary	Status	Additional Information
2021-001	Financial Reporting	Not Corrected	Repeated finding, see schedule of findings 2023-001
2021-002	Bank reconciliations	Not Corrected	Repeated finding, see schedule of findings 2023-009
2021-003	HINKLE filings	Not Fully Corrected	Repeated. See Management Letter noncompliance #2
2021-004	Budgetary controls	Not Corrected	Repeated finding, see schedule of findings 2023-005, 2023-007 and 2023-008
2021-005	Timely remittance of payroll withholdings	Not Corrected	Repeated finding, see schedule of findings 2023-004
2021-006	Elected officials' compensation	Not Corrected	Repeated finding, see schedule of findings 2023-003
2021-007	Public records compliance	Not Corrected	Repeated. See Management Letter noncompliance #7
2021-008	Transfers not approved	Corrected	

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 12/23/2025

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

This report is a matter of public record and is available online at
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