



Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

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SUNFISH TOWNSHIP
PIKE COUNTY

REGULAR AUDIT

For the Years Ended December 31, 2011 and 2010
Fiscal Years Audited Under GAGAS: 2011 and 2010



Dave Yost • Auditor of State

Board of Trustees
Sunfish Township
6105 Laurel Ridge Road
Piketon, Ohio 45661

We have reviewed the *Independent Auditor's Report* of Sunfish Township, Pike County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2010 through December 31, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

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

Dave Yost
Auditor of State

May 3, 2012

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Sunfish Township
Pike County
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Independent Auditor's Report

Sunfish Township
Pike County
6105 Laurel Ridge Road
Piketon, Ohio 45661

To the Board of Trustees:

We have audited the accompanying financial statements of Sunfish Township, Pike County, (the Township) as of and for the years ended December 31, 2011 and 2010. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

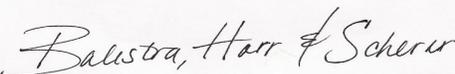
In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2011 and 2010 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2011 and 2010, or its changes in financial position for the years then ended.

The Township had prior audit adjustments that were not posted to the Township's accounting system due to the impact that these adjustments would have on the General Fund. Had the posting of the prior audit adjustments been made to the financial statements and accounting system, the General Fund cash balance would have decreased by \$11,698 and the Gasoline Tax Fund cash balance would have increased by \$11,698.

Also, in our opinion, except for the effects of such adjustments, necessary to be made to the financial statements due to the errors described in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances as of December 31, 2011 and 2010 of Sunfish Township, Pike County, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

As described in Note 10, during 2011 the Township adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2012 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Balestra, Harr & Scherer, CPAs, Inc.
March 23, 2012

**SUNFISH TOWNSHIP
PIKE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Taxes	\$ 9,914	\$ 30,605	\$ 40,519
Intergovernmental	26,220	95,389	121,609
Earnings on Investments	29	81	110
Miscellaneous	682	-	682
	<u>36,845</u>	<u>126,075</u>	<u>162,920</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
General Government	22,749	-	22,749
Public Safety	-	18,077	18,077
Public Works	-	81,402	81,402
Health	-	13,794	13,794
Capital Outlay	-	54,190	54,190
Debt Service:			
Redemption of Principal	-	2,439	2,439
Interest and Fiscal Charges	-	1,113	1,113
	<u>22,749</u>	<u>171,015</u>	<u>193,764</u>
Total Cash Disbursements			
Excess of Receipts Over/(Under) Disbursements	14,096	(44,940)	(30,844)
Other Financing Receipts (Disbursements):			
Note Issuance	-	30,142	30,142
Other Sources	-	9,363	9,363
	<u>-</u>	<u>39,505</u>	<u>39,505</u>
Total Other Financing Receipts (Disbursements)			
Net Change in Fund Cash Balances	14,096	(5,435)	8,661
Fund Cash Balances	<u>4,815</u>	<u>138,410</u>	<u>143,225</u>
Fund Cash Balances, December 31			
Restricted	-	132,975	132,975
Unassigned (Deficit)	18,911	-	18,911
	<u>18,911</u>	<u>-</u>	<u>18,911</u>
Fund Cash Balances, December 31	<u>\$ 18,911</u>	<u>\$ 132,975</u>	<u>\$ 151,886</u>

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

**SUNFISH TOWNSHIP
PIKE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Taxes	\$ 10,779	\$ 34,006	\$ 44,785
Intergovernmental	23,613	100,690	124,303
Earnings on Investments	39	94	133
Miscellaneous	105	30	135
	<u>34,536</u>	<u>134,820</u>	<u>169,356</u>
Total Cash Receipts			
	<u>34,536</u>	<u>134,820</u>	<u>169,356</u>
Cash Disbursements:			
Current:			
General Government	27,973	-	27,973
Public Safety	-	28,082	28,082
Public Works	-	70,070	70,070
Health	-	11,690	11,690
Debt Service:			
Redemption of Principal	744	2,639	3,383
Interest and Fiscal Charges	12	38	50
	<u>28,729</u>	<u>112,519</u>	<u>141,248</u>
Total Cash Disbursements			
	<u>28,729</u>	<u>112,519</u>	<u>141,248</u>
Excess of Receipts Over/(Under) Disbursements	5,807	22,301	28,108
Net Change in Fund Cash Balances	5,807	22,301	28,108
Fund Cash Balances, January 1, as Restated, See Note 9	<u>(992)</u>	<u>116,109</u>	<u>115,117</u>
Fund Cash Balances, December 31	<u>\$ 4,815</u>	<u>\$ 138,410</u>	<u>\$ 143,225</u>

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

**SUNFISH TOWNSHIP
PIKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Sunfish Township, Pike 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 and cemetery maintenance. The township contracts with Elm Grove Volunteer Fire Department to provide fire services.

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

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. The basis is similar to the cash receipts and disbursements accounting basis. The Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Fund Accounting

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

1. General Fund

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

2. Special Revenue Funds

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

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

**SUNFISH TOWNSHIP
PIKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

D. Budgetary Process

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

1. Appropriations

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

2. Estimated Resources

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

3. 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 2011 and 2010 budgetary activity appears in Note 3.

E. Fund Balance

For December 31, 2011, 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:

1. Nonspendable

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

2. 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.

**SUNFISH TOWNSHIP
PIKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

E. Fund Balance (Continued)

3. 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.

4. 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.

5. 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.

F. Property, Plant and Equipment

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

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**SUNFISH TOWNSHIP
PIKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

2. Equity in Pooled Cash

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

	2011	2010
Demand deposits	\$151,886	\$143,225

Deposits: Deposits are insured by the Federal Depository Insurance Corporation or collateralized by securities specifically pledged by the financial institution of the Township.

3. Budgetary Activity

Budgetary activity for the year ending December 31, 2011 and 2010 as follows:

2011 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 30,529	\$ 36,845	\$ 6,316
Special Revenue	99,724	165,580	65,856
Total	\$ 130,253	\$ 202,425	\$ 72,172
2011 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 47,300	\$ 22,749	\$ 24,551
Special Revenue	221,529	171,015	50,514
Total	\$ 268,829	\$ 193,764	\$ 75,065

**SUNFISH TOWNSHIP
PIKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

3. Budgetary Activity (Continued)

2010 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 31,477	\$ 34,536	\$ 3,059
Special Revenue	70,957	134,820	63,863
Total	\$ 102,434	\$ 169,356	\$ 66,922

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 53,700	\$ 28,729	\$ 24,971
Special Revenue	168,278	112,519	55,759
Total	\$ 221,978	\$ 141,248	\$ 80,730

Contrary to the Ohio Revised Code section 5705.36(A)(4) the township had appropriations in excess of actual resources in the General, Motor Vehicle License Tax, and Fire funds in 2011 and the General and Motor Vehicle License Tax funds in 2010. Also, contrary to the Ohio Revised Code section 5705.39, the township had appropriations in excess of estimated resources in the General and Fire funds in 2011 and the General and Motor Vehicle License Tax funds in 2010.

4. Property Tax

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

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

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

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

**SUNFISH TOWNSHIP
PIKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

5. Debt

Debt outstanding at December 31, 2011 was as follows:

	Principal	Interest Rate
Note for purchase of backhoe	\$ 27,703	5.00%

The Township purchased a backhoe in 2011 through a third-party financing company to be used for maintenance of Township roads. The original note was for \$30,142 with an interest rate of 5%. This note is a one year note renewable up to five years with the entire principal balance being due each year.

Amortization of the above debt, including interest of \$1,385, is scheduled as follows:

	Backhoe Note
Year Ending December 31:	
2012	\$ 29,088
Total	\$ 29,088

6. Retirement Systems

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

The Ohio Revised Code also prescribes contribution rates. For 2011 and 2010, OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants' gross salaries. The Township has paid all contributions required through December 31, 2011.

7. Risk Management

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions

**SUNFISH TOWNSHIP
PIKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

8. Compliance

Contrary to the Ohio Revised Code section 5705.41 (D)(1) the township did not properly encumber funds prior to them being expended.

Contrary to the Ohio Revised Code section 5705.36(A)(4) the township had appropriations in excess of actual resources.

Also, contrary to the Ohio Revised Code section 5705.39, the township had appropriations in excess of estimated resources.

9. Restatement of Fund Balances

The Township's fund cash balances have been restated to reflect the effects of the posting of audit adjustments stemming from the 2006-2007 financial statement audit. These adjustments were the result of non-compliance with ORC Section 505.24(C), wherein the Township did not provide proper documentation for allocation of the Trustee's compensation. The Township did not post \$12,000 of these adjustments until 2011. The posting of the aforementioned adjustments had the following effect on fund cash balances previously reported by the governmental funds:

	General Fund	Special Revenue Funds
Fund cash balance, December 31, 2009	\$ 19,494	\$ 95,623
Adjustments posted	(20,486)	20,486
Restated fund cash balance, January 1, 2010	\$ (992)	\$ 116,109

**SUNFISH TOWNSHIP
PIKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

10. Change in Accounting Principle and Fund Balances

For fiscal year 2011, the Township implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Township is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on the fund balance for the fund types are presented below for December 31, 2011:

Fund Balances	General Fund	Special Revenue Funds	Total Governmental Funds
Restricted for			
Road and Bridge Maintenance	\$ -	\$ 114,097	\$ 114,097
Cemetery Operations	-	16,896	16,896
Fire Operations	-	1,982	1,982
Total Restricted	-	\$132,975	132,975
Unassigned (Deficit)	18,911	-	18,911
Total Fund Balances	\$ 18,911	\$ 132,975	\$ 151,886



Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

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

Sunfish Township
Pike County
6105 Laurel Ridge Road
Piketon, Ohio 45661

We have audited the financial statements of Sunfish Township, Pike County, (the Township), as of and for the years ended December 31, 2011 and 2010, and have issued our report thereon dated March 23, 2012 wherein we noted that the Township followed accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America and that the Township implemented Governmental Accounting Standards Board Statement No. 54 during 2011. We also qualified our report on the 2011 and 2010 financial statements of the General and Gasoline Tax Funds due to the Township declining to make prior audit adjustments for improper postings. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of 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 timely corrected. We consider finding 2011-002 described in the accompanying schedule of findings to be a material weakness.

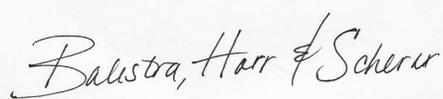
Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2011-001, and 2011-003 through 2011-004.

We also noted certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated March 23, 2012.

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

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



Balestra, Harr & Scherer, CPAs, Inc.
March 23, 2012

**SUNFISH TOWNSHIP
PIKE COUNTY**

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2011 AND 2010**

FINDING NUMBER 2011-001

Non-Compliance

Ohio Revised Code section 5705.41 (D) (1) prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in Section 5705.41(D)(1) and 5705.41(D)(3) , respectively, of the Ohio Revised Code.

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

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

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

The Township's Fiscal Officer did not certify the availability of funds prior to making commitments for 62% of the disbursements tested for 2010. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

The Township's Fiscal Officer should certify the availability of funds prior to the commitment being incurred. The most convenient certification method is to use purchase orders that include the certification language Ohio Rev. Code section 5705.41(D) requires to authorize disbursements.

Client Response:

The Client did not provide a response for the above finding.

**SUNFISH TOWNSHIP
PIKE COUNTY**

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2011 AND 2010**

FINDING NUMBER 2011-002

Material Weakness

Sound financial reporting is the responsibility of the fiscal officer and Board of Trustees and is essential to ensure information provided to the readers of the financial statements is complete and accurate.

Material and immaterial misstatements were identified during the course of the audit which have not been prevented or detected by the Township's internal controls over financial reporting. Misstatements were identified in the following areas:

- Property Tax revenues,
- Intergovernmental revenues,
- Charges for Services revenues,
- Debt payments,
- Public Safety,
- Public Works,
- Other Sources

All of the above noted adjustments have been posted to the financial statements and to the Townships' UAN accounting system.

To ensure the Township's financial statements and notes to the financial statements are complete and accurate, we recommend the Fiscal Officer review the Ohio Township Manual for guidance on the correct line item to post various receipts and expenditures of the Township.

Client Response:

The Fiscal Officer will make the corrections.

FINDING NUMBER 2011-003

Material Non-Compliance

Ohio Revised Code Section 5705.36(A)(4) requires obtaining a reduced amended certificate if the amount of the deficiency will reduce available resources below the current level of appropriation.

Upon comparison of appropriations to available resources (defined as unencumbered beginning balance plus actual receipts), 2011 appropriations were in excess of available resources in the General Fund by \$5,640, Motor Vehicle License Tax Fund by \$312, and the Fire Fund by \$10,054; 2010 appropriations were in excess of available resources in the General Fund by \$20,156 and in the Motor Vehicle License Tax Fund by \$4,767.

The Township should implement monitoring procedures to ensure compliance with 5705.36(A)(4). Establishment of procedures for monitoring the compliance with this requirement helps to ensure that monies are not expended in excess of allowable limits.

Client Response:

The Client did not provide a response for the above finding.

**SUNFISH TOWNSHIP
PIKE COUNTY**

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2011 AND 2010**

FINDING NUMBER 2011-004

Material Non-Compliance

Ohio Revised Code Section 5705.39 requires that the total appropriation from each fund shall not exceed the total estimated revenue.

Upon comparison of appropriations to estimated resources (defined as unencumbered beginning balance plus estimated receipts), the auditor noted 2011 appropriations were in excess of estimated resources in the General Fund by \$11,956 and in the Fire Fund by \$19,944; 2010 appropriations were in excess of estimated resources in the General Fund by \$23,215 and in the Motor Vehicle License Tax Fund by \$4,324.

The Township should implement monitoring procedures to ensure compliance with 5705.39. Establishment of procedures for monitoring the compliance with this requirement helps to ensure that monies are not expended in excess of allowable limits.

Client Response:

The Client did not provide a response for the above finding.

**SUNFISH TOWNSHIP
PIKE COUNTY
DECEMBER 31, 2011 AND 2010**

SCHEDULE OF PRIOR AUDIT FINDINGS

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2007-002	FFA/Material Weakness ORC Section 505.24(C) documentation for trustee's compensation allocation	Partially Corrected	Partially corrected: the Township is requiring documentation for trustees pay allocation; however, the prior audit Finding for Adjustment has not been fully adjusted as of December 31, 2011
2009-001	ORC Section 5705.41(D) Fiscal Officer's certification of available funds for disbursement.	No	Reissued as 2011-001
2009-002	ORC Section 5705.41(B) Expenditures in excess of appropriations	Yes	
2009-003	Material Weakness – maintenance of sufficient accounting records	No	Reissued as 2011-002



Dave Yost • Auditor of State

SUNFISH TOWNSHIP

PIKE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MAY 15, 2012**