

**PITT TOWNSHIP  
WYANDOT COUNTY, OHIO**

*FINANCIAL STATEMENTS*  
DECEMBER 31, 2012 AND 2011

**WOLF, ROGERS, DICKEY & CO.**  
*Certified Public Accountants*





# Dave Yost • Auditor of State

Board of Trustees  
Pitt Township  
14895 Co Hwy 113  
Upper Sandusky, Ohio 43351

We have reviewed the *Independent Auditors' Report* of Pitt Township, Wyandot County, prepared by Wolf, Rogers, Dickey & Co., for the audit period January 1, 2011 through December 31, 2012. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Pitt 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

July 29, 2013

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**Pitt Township  
Wyandot County, Ohio**

**For the Years Ended  
December 31, 2012 and 2011**

Table of Contents

Independent Auditors' Report	1
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) – All Governmental Fund Types For the Year Ended December 31, 2012	3
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) – All Governmental Fund Types For the Year Ended December 31, 2011	4
Notes to the Financial Statements	5
Independent Auditors' Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Required By <i>Government Auditing Standards</i>	14
Schedule of Prior Audit Findings	16

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# **Wolf, Rogers, Dickey & Co.**

Certified Public Accountants

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## **Independent Auditors' Report**

Pitt Township  
Wyandot County, Ohio

To the Board of Trustees:

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

We have audited the accompanying financial statements and related notes of Pitt Township, Wyandot County, Ohio (the Township), as of and for the years ended December 31, 2012 and 2011.

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

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

### **Auditor's Responsibility**

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

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

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

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

As described in Note 1 of the financial statements, the Township prepared these financial statements using the accounting basis permitted by the financial reporting provisions of ORC Section 117.38 and OAC Section 117-2-03, which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2012 and 2011, or changes in financial position thereof for the years then ended.

**Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of Pitt Township, Wyandot County, Ohio as of December 31, 2012 and 2011, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions ORC Section 117.38 and OAC Section 117-2-03 permits, described in Note 1.

**Emphasis of Matter**

As discussed in Note 2 to the financial statements, during 2011 Pitt Township adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Our opinion is not modified with respect to this matter.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 7, 2013, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provision of laws, regulations, contracts, grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

Wolf, Rogers, Dufey & Co.  
Certified Public Accountants



**Pitt Township  
Wyandot County, Ohio  
Combined Statement of Receipts, Disbursements  
and Changes in Fund Balances (Cash Basis)  
All Governmental Fund Types  
For the Year Ended December 31, 2012**

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Totals (Memorandum Only)</u>
Cash receipts:				
Property and other local taxes	\$ 15,949	36,230	-	52,179
Charges for services	-	4,950	-	4,950
Intergovernmental	18,838	104,270	-	123,108
Special assessments	-	768	-	768
Earnings on investments	171	50	-	221
Other revenue	<u>12,829</u>	<u>10,569</u>	<u>-</u>	<u>23,398</u>
Total cash receipts	47,787	156,837	-	204,624
Cash disbursements:				
Current:				
General government	53,809	727	-	54,536
Public safety	-	15,543	-	15,543
Public works	-	106,071	-	106,071
Health	9,721	-	-	9,721
Debt service:				
Redemption of principal	-	21,451	-	21,451
Interest	<u>-</u>	<u>2,952</u>	<u>-</u>	<u>2,952</u>
Total cash disbursements	<u>63,530</u>	<u>146,744</u>	<u>-</u>	<u>210,274</u>
Total receipts over (under) disbursements	(15,743)	10,093	-	(5,650)
Fund cash balances, January 1	<u>207,279</u>	<u>163,452</u>	<u>6,637</u>	<u>377,368</u>
Fund cash balances, December 31				
Restricted	-	173,545	6,637	180,182
Unassigned	<u>191,536</u>	<u>-</u>	<u>-</u>	<u>191,536</u>
Fund cash balances, December 31	\$ <u>191,536</u>	<u>173,545</u>	<u>6,637</u>	<u>371,718</u>

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

**Pitt Township  
Wyandot County, Ohio  
Combined Statement of Receipts, Disbursements  
and Changes in Fund Balances (Cash Basis)  
All Governmental Fund Types  
For the Year Ended December 31, 2011**

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Totals (Memorandum Only)</u>
Cash receipts:				
Property and other local taxes	\$ 15,939	36,230	-	52,169
Charges for services	-	4,950	-	4,950
Intergovernmental	22,985	103,953	-	126,938
Special assessments	-	768	-	768
Earnings on investments	196	71	-	267
Other revenue	<u>2,848</u>	<u>1,105</u>	<u>-</u>	<u>3,953</u>
Total cash receipts	41,968	147,077	-	189,045
Cash disbursements:				
Current:				
General government	58,121	-	-	58,121
Public safety	-	32,074	-	32,074
Public works	-	107,490	-	107,490
Health	9,545	-	-	9,545
Debt service:				
Redemption of principal	-	15,676	-	15,676
Interest	<u>-</u>	<u>4,059</u>	<u>-</u>	<u>4,059</u>
Total cash disbursements	<u>67,666</u>	<u>159,299</u>	<u>-</u>	<u>226,965</u>
Total receipts (under) disbursements	(25,698)	(12,222)	-	(37,920)
Other financing receipts -				
Note proceeds	<u>-</u>	<u>19,400</u>	<u>-</u>	<u>19,400</u>
Total receipts and financing over (under) disbursements	(25,698)	7,178	-	(18,520)
Fund cash balances, January 1	<u>232,977</u>	<u>156,274</u>	<u>6,637</u>	<u>395,888</u>
Fund cash balances, December 31				
Restricted	-	163,452	6,637	170,089
Unassigned	<u>207,279</u>	<u>-</u>	<u>-</u>	<u>207,279</u>
Fund cash balances, December 31	\$ <u>207,279</u>	<u>163,452</u>	<u>6,637</u>	<u>377,368</u>

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

**Pitt Township**  
**Wyandot County, Ohio**  
**Notes to the Financial Statements**  
**December 31, 2012 and 2011**

(1) Summary of Significant Accounting Policies

Description of the Entity

Pitt Township, Wyandot County, Ohio (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides road and bridge maintenance, fire protection services and cemetery operations.

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA), a public entity risk pool. Note 6 to the financial statements provides additional information for this entity.

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

Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State of Ohio, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized 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 prescribed or permitted by the Auditor of State of Ohio.

Cash and Investments

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

Money market mutual funds (including State Treasury Asset Reserve (STAR) Ohio) are recorded at share value.

Fund Accounting

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

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**Pitt Township  
Wyandot County, Ohio  
Notes to the Financial Statements, continued  
December 31, 2012 and 2011**

(1) Summary of Significant Accounting Policies, continued

Fund Accounting, continued

Special Revenue Funds

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

Motor Vehicle License Tax Fund – This fund receives vehicle registration tax money.

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

Road and Bridge Fund – This fund receives property tax and other revenues collected to construct, maintain and repair Township roads.

Special Levy Fund (Fire Protection) – This fund receives fire protection levy tax money to pay for fire protection services and equipment.

Debt Service Fund

This fund is used to account for real estate taxes levied for the payment of fire equipment acquisition bonds.

Budgetary Process

The Ohio Revised Code (ORC) requires each fund to be budgeted annually.

Appropriations

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

Estimated Resources

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

**Pitt Township**  
**Wyandot County, Ohio**  
**Notes to the Financial Statements, continued**  
**December 31, 2012 and 2011**

(1) Summary of Significant Accounting Policies, continued

Encumbrances

The ORC requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be re-appropriated.

A summary of 2012 and 2011 budgetary activity appears in Note 3.

Fund Balance Reserves

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

**Nonspendable** – The nonspendable fund balance category includes amounts that cannot be spent because they are contractually required to be maintained intact.

**Restricted** – Fund balance is reported as 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** – Amounts in the assigned fund balance classification are intended to be used by the Township for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by Township Trustees or a Township official delegated that authority by ordinance, or by State Statute.

**Unassigned** – Unassigned fund balance is the residual classification for the General Fund and includes amounts not contained 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.

**Pitt Township  
Wyandot County, Ohio  
Notes to the Financial Statements, continued  
December 31, 2012 and 2011**

(1) Summary of Significant Accounting Policies, continued

Property, Plant and Equipment

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

(2) Change in Accounting Principle

For the year ended December 31, 2011, the Township has adopted Government Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of this statement resulted in no changes to fund balances at December 31, 2010 as previously reported.

(3) Equity in Pooled Cash and Investments

The Township maintains a cash and investment pool used by all funds. The ORC prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	2012	2011
Demand deposits	\$ 156,096	148,916
STAR Ohio	<u>215,622</u>	<u>228,452</u>
Total deposits and investments	\$ <u>371,718</u>	<u>377,368</u>

Deposits are either insured by the Federal Deposit Insurance Corporation or collateralized by the financial institution's public entity deposit pool. The Township has invested funds in STAR Ohio. STAR Ohio is an investment pool managed by the State Treasurer's office which allows governments within Ohio to pool their funds for investment purposes.

(4) Budgetary Activity

Budgetary activity for the years ended December 31, 2012 and 2011 follows:

Fund Type	2012 Budgeted vs. Actual Receipts		
	Budgeted Receipts	Actual Receipts	Variance
General	\$ 31,414	47,787	16,373
Special Revenue	<u>130,722</u>	<u>156,837</u>	<u>26,115</u>
Total	\$ <u>162,136</u>	<u>204,624</u>	<u>42,488</u>

**Pitt Township  
Wyandot County, Ohio  
Notes to the Financial Statements, continued  
December 31, 2012 and 2011**

(4) Budgetary Activity, continued

<u>2012 Budgeted vs. Actual Budgetary Basis Expenditures</u>			
<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 238,694	63,530	175,164
Special Revenue	294,174	146,744	147,430
Debt Service	<u>6,637</u>	<u>-</u>	<u>6,637</u>
Total	\$ <u>539,505</u>	<u>210,274</u>	<u>329,231</u>

<u>2011 Budgeted vs. Actual Receipts</u>			
<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 38,336	41,968	3,632
Special Revenue	<u>148,479</u>	<u>166,477</u>	<u>17,998</u>
Total	\$ <u>186,815</u>	<u>208,445</u>	<u>21,630</u>

<u>2011 Budgeted vs. Actual Budgetary Basis Expenditures</u>			
<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 271,313	67,666	203,647
Special Revenue	304,753	159,299	145,454
Debt Service	<u>6,637</u>	<u>-</u>	<u>6,637</u>
Total	\$ <u>582,703</u>	<u>226,965</u>	<u>355,738</u>

(5) Property Tax

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

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

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

**Pitt Township  
Wyandot County, Ohio  
Notes to the Financial Statements, continued  
December 31, 2012 and 2011**

(5) Property Tax, continued

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

(6) Retirement Systems

The Township's employees belong to the Ohio Public Employees Retirement System (OPERS) of Ohio. OPERS is a cost-sharing, multiple-employer plan. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the ORC.

Contribution rates are also prescribed by the ORC. For 2012 and 2011, OPERS members contributed 10% of their gross salaries. The Township contributed an amount equal to 14% of participants' gross salaries. The Township has paid all contributions required through December 31, 2012.

(7) Risk Management

The Township is exposed to various risks of property and casualty losses, and injuries to employees. The Township insures against injuries to employees through the Ohio Bureau of Workers' Compensation.

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of OTARMA and provides underwriting, claims, loss control, risk management, and reinsurance services for OTARMA. OTARMA is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

*Casualty and Property Coverage*

APEEP provides OTARMA with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2010, OTARMA retained \$350,000 for casualty claims and \$150,000 for property claims.

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



**Pitt Township**  
**Wyandot County, Ohio**  
**Notes to the Financial Statements, continued**  
**December 31, 2012 and 2011**

(7) Risk Management, continued

*Financial Position*

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2011 and 2010 (the latest information available):

	<u>2011</u>	<u>2010</u>
Assets	\$ 35,086,165	35,855,252
Liabilities	<u>(9,718,792)</u>	<u>(10,664,724)</u>
Net Assets	\$ <u>25,367,373</u>	<u>25,190,528</u>

At December 31, 2011 and 2010, respectively, liabilities above include approximately \$9.1 million and \$9.9 million of estimated incurred claims payable. The assets above also include approximately \$8.6 and \$9.5 million of unpaid claims to be billed to approximately 938 member governments in the future, as of December 31, 2011 and 2010, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2011, the Township's share of these unpaid claims collectible in future years is approximately \$5,000.

Based on discussions with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

Contributions to OTARMA

2010	\$ 6,976
2011	7,968
2012	8,069

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

**Pitt Township**  
**Wyandot County, Ohio**  
**Notes to the Financial Statements, continued**  
**December 31, 2012 and 2011**

**(8) Debt Obligation**

At December 31, 2012 and 2011, the debt obligation consisted of the following:

<u>Description</u>	<u>2012</u>	<u>2011</u>
2008 Commercial Savings Bank for purchase of fire engine, due in annual installments of \$17,479 through 2015 at a rate of 3.65%.	49,056	64,164
2011 Commercial Savings Bank for purchase of fire equipment, due in quarterly installments of \$1,731 through 2014 at a rate of 3.65%	<u>11,568</u>	<u>17,911</u>
Total debt obligations	\$ <u>60,624</u>	<u>82,075</u>

Transactions for the years ended December 31, 2012 and 2011 are summarized as follows:

<u>Description</u>	<u>Balance at</u> <u>12/31/11</u>	<u>Proceeds</u>	<u>Payments</u>	<u>Balance at</u> <u>12/31/12</u>
Commercial Savings Bank Fire Engine	\$ 64,164	-	15,108	49,056
Commercial Savings Bank Fire Equip.	<u>17,911</u>	<u>-</u>	<u>6,343</u>	<u>11,568</u>
Totals	\$ <u>82,075</u>	<u>-</u>	<u>21,451</u>	<u>60,624</u>

<u>Description</u>	<u>Balance at</u> <u>12/31/10</u>	<u>Proceeds</u>	<u>Payments</u>	<u>Balance at</u> <u>12/31/11</u>
Commercial Savings Bank Fire Engine	\$ 78,351	-	14,187	64,164
Commercial Savings Bank Fire Equip.	<u>-</u>	<u>19,400</u>	<u>1,489</u>	<u>17,911</u>
Totals	\$ <u>78,351</u>	<u>19,400</u>	<u>15,676</u>	<u>82,075</u>

The principal and interest requirements to retire the debt obligation outstanding at December 31, 2012 are as follows:

<u>Year ending</u> <u>December 31</u>	<u>Fire Engine</u>		<u>Fire Equipment</u>	
	<u>Commercial Savings Bank</u> <u>Principal</u>	<u>Interest</u>	<u>Commercial Savings Bank</u> <u>Principal</u>	<u>Interest</u>
2013	15,675	1,804	6,564	360
2014	16,254	1,225	5,004	77
2015	<u>17,127</u>	<u>352</u>	<u>-</u>	<u>-</u>
	\$ <u>49,056</u>	<u>3,381</u>	<u>11,568</u>	<u>437</u>

**Pitt Township**  
**Wyandot County, Ohio**  
**Notes to the Financial Statements, continued**  
**December 31, 2012 and 2011**

(9) Jointly Governed Organizations

The Township does not participate in any jointly governed organizations.

(10) Commitment

The Township is obligated to provide fire protection services to Mifflin Township for 2013 pursuant to a contract adopted in December 2012.

(11) Subsequent Events

Subsequent events have been evaluated through June 7, 2013, which is the date the financial statements were available to be issued.

# Wolf, Rogers, Dickey & Co.

Certified Public Accountants  
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## **Independent Auditors' Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Required By Government Auditing Standards**

Pitt Township  
Wyandot County, Ohio

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of Pitt Township, Wyandot County, Ohio (the Township), as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, and have issued our report thereon dated June 7, 2013, wherein we noted the Township followed accounting financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permit, described in Note 1. In addition, we noted that in 2011 the Township adopted Government Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

### **Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in

internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Wolf, Rogers, Dickey & Co.  
Certified Public Accountants

June 7, 2013

**Pitt Township  
Wyandot County, Ohio  
Schedule of Prior Audit Findings  
December 31, 2012 and 2011**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	<u>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid: Explain: _____</u>
2010-01	Material reclassifications	No	Partially corrected. Repeat as management letter comment.
2010-02	ORC 5705-41 Fiscal Officer must certify the commitment of money prior to the expenditure taking place.	Yes	Finding no longer valid.
2010-03	Budgeted receipts in UAN did not agree to Certificate of Estimated Resources	Yes	Finding no longer valid.
2010-04	ORC 5705.36 Submit amended Certificate of Estimated Resources to reflect the actual receipts as well as an amended appropriation	Yes	Finding no longer valid.



# Dave Yost • Auditor of State

**PITT TOWNSHIP**

**WYANDOT 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  
AUGUST 8, 2013**