



Dave Yost • Auditor of State



**SUGAR CREEK TOWNSHIP  
WAYNE COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Sugar Creek Township  
Wayne County  
16821 Withrich Road  
P.O. Box 224  
Dalton, Ohio 44618

To the Board of Trustees:

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sugar Creek Township, Wayne County, Ohio (the Township), as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

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

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are 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 we obtained is sufficient and appropriate to support our audit opinions.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Sugar Creek Township, Wayne County, Ohio, as of December 31, 2012 and 2011, and the respective changes in cash financial position and the respective budgetary comparisons for the General Fund, Gasoline Tax Fund and Road and Bridge Fund thereof for the years then ended in accordance with the accounting basis described in Note 2.

**Accounting Basis**

We draw attention to Note 2 of the financial statements, which describes the accounting basis, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

**Emphasis of Matter**

As discussed in Note 3 to the financial statements, during 2011, the Township adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. We did not modify our opinion regarding this matter.

**Other Matters**

*Supplemental and Other Information*

We audited to opine on the Township's financial statements that collectively comprise its basic financial statements.

*Management's Discussion & Analysis* includes tables of net position, changes in net position, and governmental activities. This information provides additional analysis and is not a required part of the basic financial statements.

These tables are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these tables to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling these tables directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and in accordance with auditing standards generally accepted in the United States of America. In our opinion, these tables are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other than the aforementioned procedures applied to the tables, we applied no procedures to any other information in Management's Discussion & Analysis, and we express no opinion or any other assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2013, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State  
Columbus, Ohio

November 14, 2013

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**SUGAR CREEK TOWNSHIP  
WAYNE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011  
UNAUDITED**

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This discussion and analysis of the Sugar Creek Township's financial performance provides an overall review of the Township's financial activities for the years ended December 31, 2012 and 2011, within the limitations of the Township's cash basis of accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

**Highlights**

Key highlights for 2012 are as follows:

Net position of governmental activities increased \$126,197, or 16.8 percent, a significant change from the prior year. The fund most affected by the increase in net position was the General Fund.

The Township's general receipts are primarily property taxes. Property Taxes represent 46.7 percent of the total cash received for governmental activities during the year.

Key highlights for 2011 are as follows:

Net position of governmental activities increased \$36,191, or 5 percent, a significant change from the prior year. The fund most affected by the increase in net position was the General Fund.

The Township's general receipts are primarily property taxes. Property Taxes represent 48.3 percent of the total cash received for governmental activities during the year.

**Using the Basic Financial Statements**

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's cash basis of accounting.

**Report Components**

The statement of net position and the statement of activities provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

**SUGAR CREEK TOWNSHIP  
WAYNE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011  
UNAUDITED**

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As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

**Reporting the Township as a Whole**

The statement of net position and the statement of activities reflect how the Township did financially during 2012 and 2011, within the limitations of cash basis accounting. The statement of net position presents the cash balances of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other nonfinancial factors as well such as the Township's property tax base, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.

In the statement of net position and the statement of activities, the governmental activities include the Township's programs and services, including general government services and road and bridge maintenance. State grants and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

**Reporting the Township's Most Significant Funds**

Fund financial statements provide detailed information about the Township's major governmental funds – not the Township as a whole. The Township establishes separate funds to better manage its activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. All of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are as follows: General Fund, Gasoline Tax Fund and Road and Bridge Fund.

**SUGAR CREEK TOWNSHIP  
WAYNE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011  
UNAUDITED**

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**The Township as a Whole**

Table 1 provides a summary of the Township's net position for 2012 and 2011 compared to 2010 on a cash basis:

(Table 1)

**Net Position**

	Governmental Activities		
	2012	2011	2010
<b>Assets</b>			
Cash and Cash Equivalents	\$875,846	\$749,649	\$713,458
<b>Net Position</b>			
Restricted for:			
Road Work	462,263	476,272	
Street Lighting	1,222	6,936	
Other Purposes	60,313	58,693	607,165
Unrestricted	352,048	207,748	106,293
Total Net Assets	\$875,846	\$749,649	\$713,458

As mentioned previously, net position of governmental activities increased \$126,197 or 16.8 percent during 2012. The primary reasons contributing to the increases in cash balances are as follows:

- An increase in estate tax receipts during 2012.
- A decrease in expenditures related to road work.

Table 2 reflects the changes in net position on a cash basis in 2012, 2011 and 2010 for governmental activities.

**SUGAR CREEK TOWNSHIP  
WAYNE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011  
UNAUDITED**

(Table 2)

**Changes in Net Position**

	Governmental		
	2012	2011	2010
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$23,222	\$23,240	\$28,892
Operating Grants and Contributions	105,457	105,721	109,401
Total Program Receipts	<u>128,679</u>	<u>128,961</u>	<u>138,293</u>
General Receipts:			
Property and Other Local Taxes	429,766	430,389	423,787
Income Taxes			
Grants and Entitlements Not Restricted			
to Specific Programs	321,384	286,452	193,427
Cell Tower Rent	20,700	20,700	20,700
Cable Franchise Fees	13,476	13,306	12,895
Interest	189	605	1,647
Miscellaneous	5,883	11,264	85,512
Total General Receipts	<u>791,398</u>	<u>762,716</u>	<u>737,968</u>
Total Receipts	<u>920,077</u>	<u>891,677</u>	<u>876,261</u>
Disbursements:			
General Government	158,682	158,853	145,512
Public Safety	72,500	70,035	71,565
Public Works	538,740	602,707	528,982
Health	23,958	23,891	23,679
Total Disbursements	<u>793,880</u>	<u>855,486</u>	<u>769,738</u>
Increase in Net Position	126,197	36,191	106,523
Net Position, January 1	<u>749,649</u>	<u>713,458</u>	<u>606,935</u>
Net Position, December 31	<u>\$875,846</u>	<u>\$749,649</u>	<u>\$713,458</u>

Program receipts represent only 14 and 14.5 percent of total receipts for 2012 and 2011, respectively, and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money.

General receipts represent 86 and 85.5 percent of the Township's total receipts for 2012 and 2011, respectively, and of this amount, over 54.3 and 56.4 percent, respectively, are local taxes. State grants and entitlements make up the balance of the Township's general receipts (40.6 and 37.6 percent). Other receipts are very insignificant and somewhat unpredictable revenue sources.

**SUGAR CREEK TOWNSHIP  
WAYNE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011  
UNAUDITED**

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the costs of the Fiscal Officer and Trustees as well as internal services such as payroll and purchasing.

Disbursements for Public Safety are the costs of providing fire services to the Township's residents.

Disbursements for Public Works are the costs of constructing, maintaining, and repairing Township roads and bridges.

**Governmental Activities**

If you look at the Statement of Activities on pages 12 and 19, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities in 2012 and 2011 are for public works, which account for 67.8 and 70.5 percent, respectively, of all governmental disbursements. General government also represents a significant cost, about 20 percent for 2012 and 18.6 percent for 2011. The next two columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

	<b>Governmental Activities</b>					
	Total Cost of Services	Total Cost of Services	Total Cost of Services	Net Cost of Services	Net Cost of Services	Net Cost of Services
	2012	2011	2010	2012	2011	2010
General Government	\$158,682	\$158,853	\$145,512	(\$158,682)	(\$158,853)	(\$145,512)
Public Safety	\$72,500	\$70,035	71,565	(\$66,388)	(\$63,750)	(\$59,576)
Public Works	538,740	602,707	528,982	(416,173)	(\$480,031)	(\$402,678)
Health	23,958	23,891	23,679	(23,958)	(\$23,891)	(\$23,679)
<b>Total Disbursements</b>	<b>\$793,880</b>	<b>\$855,486</b>	<b>\$769,738</b>	<b>(\$665,201)</b>	<b>(\$726,525)</b>	<b>(\$631,445)</b>

The dependence upon property tax receipts is apparent as over 83.8 and 84.9 percent of governmental activities are supported through these general receipts for 2012 and 2011, respectively.

**SUGAR CREEK TOWNSHIP  
WAYNE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011  
UNAUDITED**

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**The Township's Funds**

Total governmental funds had receipts of \$920,077 and \$891,677 and disbursements of \$793,880 and \$855,486 for 2012 and 2011, respectively. The greatest change within governmental funds for 2012 occurred within the General Fund. The greatest change within governmental funds for 2011 occurred within the General Fund and Other Governmental Funds. The fund balance of the General Fund increased \$144,300 in 2012 as the result of increased estate taxes. The fund balance of the General Fund increased \$101,455 during 2011 as a result of increased estate tax revenue and a slight increase in expenditures. The fund balance of the Other Governmental Funds decreased \$45,810 in 2011 due to an increase in expenditures for road work.

**General Fund Budgeting Highlights**

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During 2012, the Township did not amend its General Fund Budget to reflect changing circumstances. Final budgeted receipts were significantly lower than actual receipts. This was due to the Township not budgeting enough for estate tax revenue.

During 2011, the Township did not amend its General Fund Budget to reflect changing circumstances. Final budgeted receipts were significantly lower than actual receipts. This was due to the Township not budgeting enough for estate tax revenue.

In 2012, final disbursements were budgeted at \$338,518 while actual disbursements were \$184,887. Less expenditures were incurred during the year than anticipated.

In 2011, final disbursements were budgeted at \$184,787 while actual disbursements were \$183,913. Less expenditures were incurred during the year than anticipated.

**Current Issues**

The challenge for all Townships is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on local taxes.

**Contacting the Township's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Jerry Berg, Fiscal Officer, Sugar Creek Township, P.O. Box 224, Dalton, Ohio 44618.

**SUGAR CREEK TOWNSHIP  
WAYNE COUNTY**

**STATEMENT OF NET POSITION - CASH BASIS  
DECEMBER 31, 2012**

	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 875,846</u>
<b>Net Position</b>	
Restricted for:	
Road Work	462,263
Street Lighting	1,222
Other Purposes	60,313
Unrestricted	<u>352,048</u>
<i>Total Net Position</i>	<u>\$ 875,846</u>

See accompanying notes to the basic financial statements

**SUGAR CREEK TOWNSHIP  
WAYNE COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Program Cash Receipts</u>			<u>Net (Disbursements) Receipts and Changes in Net Position</u>
	<u>Cash Disbursements</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
<b>Governmental Activities</b>				
Current:				
General Government	\$ 158,682	\$ -	\$ -	\$ (158,682)
Public Safety	72,500	6,112		(66,388)
Public Works	538,740	17,110	105,457	(416,173)
Health	23,958			(23,958)
<i>Total Governmental Activities</i>	<u>\$ 793,880</u>	<u>\$ 23,222</u>	<u>\$ 105,457</u>	(665,201)
General Receipts:				
Property Taxes Levied for:				
				49,415
				380,351
				321,384
				20,700
				13,476
				189
				5,883
				<u>791,398</u>
				126,197
				<u>749,649</u>
				<u>\$ 875,846</u>

See accompanying notes to the basic financial statements



**SUGAR CREEK TOWNSHIP  
WAYNE COUNTY**

**STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2012**

	General	Gasoline Tax	Road and Bridge	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	<u>\$ 352,048</u>	<u>\$ 31,790</u>	<u>\$ 430,472</u>	<u>\$ 61,536</u>	<u>\$ 875,846</u>
<b>Fund Balances</b>					
Restricted		31,790	430,472	61,536	523,798
Committed	70,000				70,000
Unassigned	<u>282,048</u>				<u>282,048</u>
<i>Total Fund Balances</i>	<u>\$ 352,048</u>	<u>\$ 31,790</u>	<u>\$ 430,472</u>	<u>\$ 61,536</u>	<u>\$ 875,846</u>

See accompanying notes to the basic financial statements

**SUGAR CREEK TOWNSHIP  
WAYNE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES - CASH BASIS  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	General	Gasoline Tax	Road and Bridge	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>					
Property and Other Local Taxes	\$ 49,415	\$ -	\$ 380,351	\$ 17,110	\$ 446,876
Licenses, Permits and Fees	13,476				13,476
Intergovernmental	241,955	87,552	79,429	17,905	426,841
Special Assessments				6,112	6,112
Earnings on Investments	171	7		11	189
Miscellaneous	24,170		2,413		26,583
<i>Total Receipts</i>	<u>329,187</u>	<u>87,559</u>	<u>462,193</u>	<u>41,138</u>	<u>920,077</u>
<b>Disbursements</b>					
Current:					
General Government	66,767	29,993	61,922		158,682
Public Safety	72,500				72,500
Public Works	21,662	55,737	416,109	45,232	538,740
Health	23,958				23,958
<i>Total Disbursements</i>	<u>184,887</u>	<u>85,730</u>	<u>478,031</u>	<u>45,232</u>	<u>793,880</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	144,300	1,829	(15,838)	(4,094)	126,197
<i>Fund Balances Beginning of Year</i>	<u>207,748</u>	<u>29,961</u>	<u>446,310</u>	<u>65,630</u>	<u>749,649</u>
<i>Fund Balances End of Year</i>	<u>\$ 352,048</u>	<u>\$ 31,790</u>	<u>\$ 430,472</u>	<u>\$ 61,536</u>	<u>\$ 875,846</u>

See accompanying notes to the basic financial statements

**SUGAR CREEK TOWNSHIP  
WAYNE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$ 44,700	\$ 44,700	\$ 49,415	\$ 4,715
Licenses, Permits and Fees	12,000	12,000	13,476	1,476
Intergovernmental	41,304	41,304	241,955	200,651
Earnings on Investments	500	500	171	(329)
Miscellaneous	22,200	22,200	24,170	1,970
<i>Total Receipts</i>	<u>120,704</u>	<u>120,704</u>	<u>329,187</u>	<u>208,483</u>
<b>Disbursements</b>				
Current:				
General Government	219,129	219,129	66,767	152,362
Public Safety	75,000	75,000	72,500	2,500
Public Works	20,432	20,432	21,662	(1,230)
Health	23,957	23,957	23,958	(1)
<i>Total Disbursements</i>	<u>338,518</u>	<u>338,518</u>	<u>184,887</u>	<u>153,631</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(217,814)	(217,814)	144,300	362,114
<i>Unencumbered Fund Balance Beginning of Year</i>	<u>207,748</u>	<u>207,748</u>	<u>207,748</u>	<u>-</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ (10,066)</u>	<u>\$ (10,066)</u>	<u>\$ 352,048</u>	<u>\$ 362,114</u>

See accompanying notes to the basic financial statements

**SUGAR CREEK TOWNSHIP  
WAYNE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GASOLINE TAX FUND  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Intergovernmental	\$ 88,000	\$ 88,000	\$ 87,552	\$ (448)
Earnings on Investments	75	75	7	(68)
<i>Total Receipts</i>	<u>88,075</u>	<u>88,075</u>	<u>87,559</u>	<u>(516)</u>
<b>Disbursements</b>				
Current:				
General Government	36,500	36,500	29,993	6,507
Public Works	98,903	98,903	55,737	43,166
<i>Total Disbursements</i>	<u>135,403</u>	<u>135,403</u>	<u>85,730</u>	<u>49,673</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(47,328)	(47,328)	1,829	49,157
<i>Unencumbered Fund Balance Beginning of Year</i>	<u>29,961</u>	<u>29,961</u>	<u>29,961</u>	<u>-</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ (17,367)</u>	<u>\$ (17,367)</u>	<u>\$ 31,790</u>	<u>\$ 49,157</u>

See accompanying notes to the basic financial statements

**SUGAR CREEK TOWNSHIP  
WAYNE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
ROAD AND BRIDGE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Property and Other Local Taxes	\$ 372,200	\$ 372,200	\$ 380,351	\$ 8,151
Intergovernmental	52,400	52,400	79,429	27,029
Miscellaneous	4,000	4,000	2,413	(1,587)
<i>Total Receipts</i>	<u>428,600</u>	<u>428,600</u>	<u>462,193</u>	<u>33,593</u>
<b>Disbursements</b>				
Current:				
General Government	110,000	110,000	61,922	48,078
Public Works	537,477	537,477	416,109	121,368
Capital Outlay	200,000	200,000		200,000
<i>Total Disbursements</i>	<u>847,477</u>	<u>847,477</u>	<u>478,031</u>	<u>369,446</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(418,877)	(418,877)	(15,838)	403,039
<i>Unencumbered Fund Balance Beginning of Year</i>	<u>446,310</u>	<u>446,310</u>	<u>446,310</u>	<u>-</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 27,433</u>	<u>\$ 27,433</u>	<u>\$ 430,472</u>	<u>\$ 403,039</u>

See accompanying notes to the basic financial statements

**SUGAR CREEK TOWNSHIP  
WAYNE COUNTY**

**STATEMENT OF NET POSITION - CASH BASIS  
DECEMBER 31, 2011**

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	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 749,649
<b>Net Position</b>	
Restricted for:	
Road Work	476,272
Street Lighting	6,936
Other Purposes	58,693
Unrestricted	207,748
<i>Total Net Position</i>	<u>\$ 749,649</u>

See accompanying notes to the basic financial statements

**SUGAR CREEK TOWNSHIP  
WAYNE COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>				
Current:				
General Government	\$ 158,853	\$ -	\$ -	\$ (158,853)
Public Safety	70,035	6,285		(63,750)
Public Works	602,707	16,955	105,721	(480,031)
Health	23,891			(23,891)
<i>Total Governmental Activities</i>	<u>\$ 855,486</u>	<u>\$ 23,240</u>	<u>\$ 105,721</u>	(726,525)
General Receipts:				
Property Taxes Levied for:				
				50,768
				379,621
				286,452
				20,700
				13,306
				605
				11,264
				<u>762,716</u>
				36,191
				<u>713,458</u>
				<u>\$ 749,649</u>

See accompanying notes to the basic financial statements

**SUGAR CREEK TOWNSHIP  
WAYNE COUNTY**

**STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2011**

	<u>General</u>	<u>Gasoline Tax</u>	<u>Road and Bridge</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 207,748	\$ 29,961	\$ 446,310	\$ 65,630	\$ 749,649
<i>Total Assets</i>	<u>\$ 207,748</u>	<u>\$ 29,961</u>	<u>\$ 446,310</u>	<u>\$ 65,630</u>	<u>\$ 749,649</u>
<b>Fund Balances</b>					
Restricted		29,961	446,310	65,630	541,901
Committed	70,000				70,000
Unassigned	<u>137,748</u>				<u>137,748</u>
<i>Total Fund Balances</i>	<u>\$ 207,748</u>	<u>\$ 29,961</u>	<u>\$ 446,310</u>	<u>\$ 65,630</u>	<u>\$ 749,649</u>

See accompanying notes to the basic financial statements



**SUGAR CREEK TOWNSHIP  
WAYNE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES FUND BALANCES - CASH BASIS  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	General	Gasoline Tax	Road and Bridge	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>					
Property and Other Local Taxes	\$ 50,768	\$ -	\$ 379,621	\$ 16,954	\$ 447,343
Licenses, Permits and Fees	13,306				13,306
Intergovernmental	196,926	88,090	89,527	17,631	392,174
Special Assessments				6,285	6,285
Earnings on Investments	482	53		70	605
Miscellaneous	23,886		8,078		31,964
<i>Total Receipts</i>	<u>285,368</u>	<u>88,143</u>	<u>477,226</u>	<u>40,940</u>	<u>891,677</u>
<b>Disbursements</b>					
Current:					
General Government	68,320	30,140	60,393		158,853
Public Safety	70,035				70,035
Public Works	21,667	82,263	412,027	86,750	602,707
Health	23,891				23,891
<i>Total Disbursements</i>	<u>183,913</u>	<u>112,403</u>	<u>472,420</u>	<u>86,750</u>	<u>855,486</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>101,455</u>	<u>(24,260)</u>	<u>4,806</u>	<u>(45,810)</u>	<u>36,191</u>
<i>Fund Balances Beginning of Year</i>	<u>106,293</u>	<u>54,221</u>	<u>441,504</u>	<u>111,440</u>	<u>713,458</u>
<i>Fund Balances End of Year</i>	<u>\$ 207,748</u>	<u>\$ 29,961</u>	<u>\$ 446,310</u>	<u>\$ 65,630</u>	<u>\$ 749,649</u>

See accompanying notes to the basic financial statements

**SUGAR CREEK TOWNSHIP  
WAYNE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$ 50,100	\$ 50,100	\$ 50,768	\$ 668
Licenses, Permits and Fees	9,000	9,000	13,306	4,306
Intergovernmental	59,086	59,086	196,926	137,840
Earnings on Investments	1,000	1,000	482	(518)
Miscellaneous	20,700	20,700	23,886	3,186
<i>Total Receipts</i>	<u>139,886</u>	<u>139,886</u>	<u>285,368</u>	<u>145,482</u>
<b>Disbursements</b>				
Current:				
General Government	66,464	68,154	68,320	(166)
Public Safety	75,000	72,515	70,035	2,480
Public Works	19,432	20,227	21,667	(1,440)
Health	23,891	23,891	23,891	-
<i>Total Disbursements</i>	<u>184,787</u>	<u>184,787</u>	<u>183,913</u>	<u>874</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(44,901)	(44,901)	101,455	146,356
<i>Unencumbered Fund Balance Beginning of Year</i>	<u>106,293</u>	<u>106,293</u>	<u>106,293</u>	<u>-</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 61,392</u>	<u>\$ 61,392</u>	<u>\$ 207,748</u>	<u>\$ 146,356</u>

See accompanying notes to the basic financial statements

**SUGAR CREEK TOWNSHIP  
WAYNE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GASOLINE TAX FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Intergovernmental	\$ 88,000	\$ 88,000	\$ 88,090	\$ 90
Earnings on Investments	200	200	53	(147)
<i>Total Receipts</i>	<u>88,200</u>	<u>88,200</u>	<u>88,143</u>	<u>(57)</u>
<b>Disbursements</b>				
Current:				
General Government	11,000	11,000	30,140	(19,140)
Public Works	<u>141,954</u>	<u>141,954</u>	<u>82,263</u>	<u>59,691</u>
<i>Total Disbursements</i>	<u>152,954</u>	<u>152,954</u>	<u>112,403</u>	<u>40,551</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(64,754)	(64,754)	(24,260)	40,494
<i>Unencumbered Fund Balance Beginning of Year</i>	<u>54,221</u>	<u>54,221</u>	<u>54,221</u>	<u>-</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ (10,533)</u>	<u>\$ (10,533)</u>	<u>\$ 29,961</u>	<u>\$ 40,494</u>

See accompanying notes to the basic financial statements

**SUGAR CREEK TOWNSHIP  
WAYNE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
ROAD AND BRIDGE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$ 356,400	\$ 356,400	\$ 379,621	\$ 23,221
Intergovernmental	52,400	52,400	89,527	37,127
Miscellaneous	4,000	4,000	8,078	4,078
<i>Total Receipts</i>	<u>412,800</u>	<u>412,800</u>	<u>477,226</u>	<u>64,426</u>
<b>Disbursements</b>				
Current:				
General Government	99,000	101,019	60,393	40,626
Public Works	631,729	629,710	412,027	217,683
Capital Outlay	100,000	100,000		100,000
<i>Total Disbursements</i>	<u>830,729</u>	<u>830,729</u>	<u>472,420</u>	<u>358,309</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(417,929)	(417,929)	4,806	422,735
<i>Unencumbered Fund Balance Beginning of Year</i>	<u>441,504</u>	<u>441,504</u>	<u>441,504</u>	<u>-</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 23,575</u>	<u>\$ 23,575</u>	<u>\$ 446,310</u>	<u>\$ 422,735</u>

See accompanying notes to the basic financial statements

**SUGAR CREEK TOWNSHIP  
WAYNE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**Note 1 – Reporting Entity**

Sugar Creek Township, Wayne County, Ohio (the Township), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Township Fiscal Officer.

The reporting entity is comprised of the primary government, component units and other organizations that were included to ensure that the financial statements are not misleading.

***Primary Government***

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, and cemetery maintenance. The Township contracts with the Dalton Volunteer Fire Department, the Kidron Volunteer Fire Department and the City of Orrville for fire protection. Police protection is provided by the Wayne County Sheriff's Department.

***Component Units***

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board; and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Township is obligated for the debt of the organization. Component units may also include organizations for which the Township authorizes the issuance of debt or the levying of taxes or determines the budget if there is also the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the Township.

Sugar Creek Township has no component units.

***Public Entity Risk Pools***

The Township participates in a public entity risk pool. Note 7 to the financial statements provides additional information for this entity. This organization is:

Public Entity Risk Pool:

Ohio Plan Risk Management, Inc. (OPRM)

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

**SUGAR CREEK TOWNSHIP  
WAYNE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011  
(Continued)**

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

As discussed further in the Basis of Accounting section of this Note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Township's accounting policies.

***Basis of Presentation***

The Township's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

***Government-Wide Financial Statements*** The statement of net position and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the Township that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of net position presents the cash balances of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that are required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Township's general receipts.

***Fund Financial Statements*** During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

***Fund Accounting***

The Township uses fund accounting 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. Funds are used to segregate resources that are restricted as to use. All of the Township's funds are categorized as governmental.

**SUGAR CREEK TOWNSHIP  
WAYNE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011  
(Continued)**

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

**Governmental Funds** The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The following are the Township's major governmental funds:

**General** 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.

**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.

**Road and Bridge Fund** The road and bridge fund accounts for and reports property tax (inside millage) committed for the construction, reconstruction, resurfacing and repair of Township roads and bridges.

The other governmental funds of the Township account for and report grants and other resources, whose use is restricted, committed or assigned to a particular purpose.

**Basis of Accounting**

The Township's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Township are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and the related expenses) are not recorded in these financial statements.

**Budgetary Process**

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

The appropriations ordinance is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, department, and object level for all funds.

**SUGAR CREEK TOWNSHIP  
WAYNE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011  
(Continued)**

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

***Budgetary Process (Continued)***

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Township.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

***Cash and Investments***

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

The Township had no investments during fiscal years 2011 and 2012.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2012 was \$171 which includes \$100 assigned from other Township funds. Interest receipts credited to the General Fund during 2011 was \$482 which includes \$346 assigned from other Township funds.

***Restricted Assets***

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. During 2012 and 2011, the Township did not report any restricted assets.

***Inventory and Prepaid Items***

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

***Capital Assets***

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



**SUGAR CREEK TOWNSHIP  
WAYNE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011  
(Continued)**

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

***Interfund Receivables/Payables***

The Township reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

***Accumulated Leave***

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

***Employer Contributions to Cost-Sharing Pension Plans***

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for postretirement healthcare benefits.

***Long-Term Obligations***

The Township's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease payments are reported when paid.

***Net Position***

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for roadwork and for street lighting. The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net position are available.

At December 31, 2011, the Township had net position of \$476,272 restricted for road work, \$6,936 restricted for street lighting and \$58,693 restricted for other purposes.

At December 31, 2012, the Township had net position of \$462,263 restricted for road work, \$1,222 restricted for street lighting and \$60,313 restricted for other purposes.

**SUGAR CREEK TOWNSHIP  
WAYNE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011  
(Continued)**

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

***Fund Balance***

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 not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

***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*** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of Township Trustees. Those committed amounts cannot be used for any other purpose unless the Township Trustees remove or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those 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 resolution, 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.

**SUGAR CREEK TOWNSHIP  
WAYNE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011  
(Continued)**

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

***Interfund Transactions***

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

**Note 3 – Change in Accounting Principle**

For 2011, the Township implemented Governmental Accounting Standards Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing 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 GASB Statement No. 54 did not have any effect on fund balances of the governmental funds.

For 2011, the Township implemented Governmental Accounting Standards Board (GASB) Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position." GASB Statement No. 63 identifies net position, rather than net assets, as the residual of all other elements presented in a statement of financial position. This change was incorporated in the Township's 2011 and 2012 financial statements; however, there was no effect on beginning net position/fund balance.

**Note 4 – Budgetary Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund, Gasoline Tax Fund, and Road and Bridge Fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The Township had no encumbrances outstanding at year end.

**SUGAR CREEK TOWNSHIP  
WAYNE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011  
(Continued)**

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**Note 5 – Deposits and Investments**

Monies held by the Township are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Township can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

**SUGAR CREEK TOWNSHIP  
WAYNE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011  
(Continued)**

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**Note 5 – Deposits and Investments (Continued)**

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the clerk/treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

***Deposits***

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2012 and 2011, \$650,860 and \$539,342 of the Township's bank balance of \$900,860 and \$789,342 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

***Investments***

At December 31, 2012 and 2011, the Township had no investments.

**Note 6 – Property Taxes**

Property taxes include amounts levied against all real and public utility property located in the Township. Property tax revenue received during 2011 and 2012 for real and public utility property taxes represents collections of 2010 and 2011 taxes.

2011 and 2012 real property taxes are levied after October 1, 2011 and 2012, on the assessed value as of January 1, 2011 and 2012, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2011 and 2012 real property taxes are collected in and intended to finance 2012 and 2013.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

**SUGAR CREEK TOWNSHIP  
WAYNE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011  
(Continued)**

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**Note 6 – Property Taxes (Continued)**

Public utility personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2011 and 2012 public utility property taxes which became a lien December 31, 2010 and 2011, are levied after October 1, 2011 and 2012, and are collected in 2012 and 2013 with real property taxes.

The full tax rate for all Township operations for the year ended December 31, 2011 and 2012, were \$5.20 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2011 property tax receipts were based are as follows:

	2012	2011
Real Property	\$128,391,840	\$127,483,520
Tangible Personal Property	\$164,370	\$233,622
Public Utility Personal Property	<u>2,917,930</u>	<u>2,860,050</u>
Total	<u>\$131,474,140</u>	<u>\$130,577,192</u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Township. The County Auditor periodically remits to the Township its portion of the taxes collected.

**Note 7 – Public Entity Risk Pool**

**Risk Pool Membership**

The Township belongs to the Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Government Risk Management Plan, (the "Plan"), 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 Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss, except OPRM retains 41.5% (effective November 1, 2011) of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Effective November 1, 2012 the plan increased its retention to 50% of the first \$250,000 casualty treaty. The Plan's property retention remained unchanged from prior years. This change was made to balance the reinsurance market conditions. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 767 and 765 members as of December 31, 2012 and 2011 respectively.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

**SUGAR CREEK TOWNSHIP  
WAYNE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011  
(Continued)**

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**Note 7 – Public Entity Risk Pool (Continued)**

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Assets	\$13,100,381	\$12,501,280
Liabilities	(6,687,193)	(5,328,761)
Members' Equity	<u>\$6,413,188</u>	<u>\$7,172,519</u>

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

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. The System administers and pays all claims.

The Township also provides health insurance and dental and vision coverage to employees through the Wayne County Benefit Plan.

**Note 8 – Defined Benefit Pension Plan**

***Ohio Public Employees Retirement System***

Plan Description – The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

**SUGAR CREEK TOWNSHIP  
WAYNE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011  
(Continued)**

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

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the years ended December 31, 2012 and 2011, members in local classifications contributed 10 percent of covered payroll.

The Township's contribution rate for 2012 and 2011 was 14 percent. For 2012 and 2011, a portion of the Township's contribution of covered payroll was allocated to fund the post-employment healthcare plan. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4 percent during both 2012 and 2011. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the Township of 14 percent.

The Township's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2012, 2011, and 2010 were \$21,868, \$21,993, and \$22,491, respectively. The full amount has been contributed for 2012, 2011 and 2010.

**Note 9 - Postemployment Benefits**

***Ohio Public Employees Retirement System***

Plan Description – Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. The plan includes a medical plan, prescription drug program and Medicare Part B premium reimbursement.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The post-employment health care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2012 and 2011, local government employers contributed at a rate of 14.0 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for local employer units.



**SUGAR CREEK TOWNSHIP  
WAYNE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011  
(Continued)**

**Note 9 - Postemployment Benefits (Continued)**

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan for 2012 and 2011 was 4 percent.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment health care plan.

The Township's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2012, 2011, and 2010 were \$6,248, \$6,284, and \$8,144, respectively; 100 percent has been contributed for 2012, 2011 and 2010.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased on January 1 of each year from 2006 to 2008. Rates for law enforcement and public safety employers increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

**Note 10 – Fund Balances**

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 fund balance for the major governmental funds and all other governmental funds are presented below:

<b>December 31, 2012</b>					
Fund Balances	General	Gasoline Tax	Road and Bridge	Other Governmental Funds	Total
<b>Restricted for</b>					
Road and Bridge		\$31,790	\$430,472		\$462,262
Street Lighting				\$1,222	1,222
Other Purposes				60,314	60,314
<i>Total Restricted</i>		<u>31,790</u>	<u>430,472</u>	<u>61,536</u>	<u>523,798</u>
<b>Committed to</b>					
Fire and EMS	\$70,000				70,000
<b>Unassigned</b>	<u>282,048</u>				<u>282,048</u>
<i>Total Fund Balances</i>	<u><u>\$352,048</u></u>	<u><u>\$31,790</u></u>	<u><u>\$430,472</u></u>	<u><u>\$61,536</u></u>	<u><u>\$875,846</u></u>

**SUGAR CREEK TOWNSHIP  
WAYNE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011  
(Continued)**

**Note 10 – Fund Balances (Continued)**

**December 31, 2011**

Fund Balances	General	Gasoline Tax	Road and Bridge	Other Governmental Funds	Total
<b>Restricted for</b>					
Road and Bridge		\$29,961	\$446,310		\$476,271
Street Lighting				\$6,937	6,937
Other Purposes				58,693	58,693
<i>Total Restricted</i>		<u>29,961</u>	<u>446,310</u>	<u>65,630</u>	<u>541,901</u>
<b>Committed to</b>					
Fire and EMS	\$70,000				70,000
<b>Unassigned</b>	137,748				137,748
<i>Total Fund Balances</i>	<u>\$207,748</u>	<u>\$29,961</u>	<u>\$446,310</u>	<u>\$65,630</u>	<u>\$749,649</u>

**Note 11 – Contingent Liabilities**

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.



# Dave Yost • Auditor of State

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

Sugar Creek Township  
Wayne County  
16821 Withrich Road  
P.O. Box 224  
Dalton, Ohio 44618

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sugar Creek Township, Wayne County, Ohio, (the Township) as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements and have issued our report thereon dated November 14, 2013, wherein we noted the Township uses a special purpose framework other than generally accepted accounting principles. We also noted in 2011 the Township implemented Governmental Accounting Standards Board Statement No. 54.

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

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Township's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2012-01 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, opining 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 an instance of noncompliance or other matter we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2012-01.

***Township's Response to Finding***

The Township's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Township's response and, accordingly, we express no opinion on it.

***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.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

November 14, 2013

**SUGAR CREEK TOWNSHIP  
WAYNE COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2012 AND 2011**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2012-01**

**Noncompliance Citation/Material Weakness**

**Ohio Rev. Code Section 505.24(C)** indicates by unanimous vote, a board of township trustees may adopt a method of compensation consisting of an annual salary to be paid in equal monthly payments. 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 this division, 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. Refer to **Auditor of State Bulletin 2011-007 and 2013-002** for additional information regarding these requirements including recent legislative changes.

The Township pays trustees salaries from funds other than the General Fund. During 2012 and 2011, the trustees documented in the minutes the amount of time spent discussing road related business, allowing them to charge restricted funds. However, no certifications were completed where each Trustee certified the percentage of their pay that should be allocated to each fund.

In addition, during 2011, the Township expended \$27,432 from the Road and Bridge Fund and \$15,000 from the General Fund to pay for the Township Trustees' health and dental insurance premiums. However, according to the Township's minutes, fifty percent of the Trustees' salary was paid from the General Fund and fifty percent from the Gas Tax Fund. This allocation was supported by payroll documentation and therefore, health and dental insurance premiums should have been paid accordingly. As a result, the Road and Bridge Fund's Fund Balance was understated \$27,432, and the Gas Tax and General Fund's Fund Balances were overstated \$21,216 and \$6,216, respectively. These adjustments have been posted to the accounting records and financial statements.

The Township Trustees should certify the percentage of time spent working on matters related to the Township general fund and other Township funds and the Fiscal Officer should allocate their salaries and benefits in proportion to these certified activities.

**Officials' Response:** Sugar Creek Township Trustees accept the audit report and the comments as presented.

**SUGAR CREEK TOWNSHIP  
WAYNE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2012 AND 2011**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2010-001	Ohio Rev. Code Section 5705.10 (H), Ohio Const. Art. XII, Section 5a and Ohio Rev. Code Section 5735.27	No	Not Corrected. A Similar Finding was reported at Finding Number 2012-01.



# Dave Yost • Auditor of State

**SUGAR CREEK TOWNSHIP**

**WAYNE 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  
DECEMBER 24, 2013**