

SHARON TOWNSHIP

MEDINA COUNTY, OHIO

AUDIT REPORT

For the Years Ended December 31, 2013 and 2012





Dave Yost • Auditor of State

Board of Trustees
Sharon Township
1322 Sharon-Copley Road
Sharon Center, Ohio 44281

We have reviewed the *Independent Auditors' Report* of Sharon Township, Medina County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2012 through December 31, 2013. 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. Sharon 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 14, 2014

This page intentionally left blank.

**SHARON TOWNSHIP
MEDINA COUNTY, OHIO
For the Years Ending December 31, 2013 and 2012**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditors' Report	1-2
Combined Statement of Receipts, Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2013	3
Combined Statement of Receipts, Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2012	4
Notes to the Financial Statements	5-11
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	12-13
Schedule of Findings.....	14
Schedule of Prior Audit Findings.....	15

INDEPENDENT AUDITORS' REPORT

Sharon Township
Medina County
1322 Sharon-Copley Road
Sharon Center, Ohio 44281

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of Sharon Township, Medina County, (the Township) as of and for the years ended December 31, 2013 and 2012.

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 Section 117.38 and Ohio Administrative Code Section 117-2-03; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fair 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 we obtained is sufficient and appropriate to support our audit opinions.

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 Ohio Revised Code Section 117.38 and Ohio Administrative Code 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

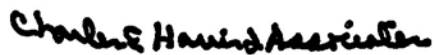
In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2013 and 2012, 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 Sharon Township, Medina County as of December 31, 2013 and 2012, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permits, described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2014, 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.



Charles E. Harris & Associates, Inc.
April 29, 2014

**SHARON TOWNSHIP
MEDINA COUNTY, OHIO
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN
FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
For the Year Ended December 31, 2013**

	<u>Governmental Fund Types</u>			<u>Total (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Permanent</u>	
Receipts:				
Property and Other Local Taxes	\$ 280,887	\$ 1,151,798	-	\$ 1,432,685
Licenses, Permits and Fees	92,054	2,250	-	94,304
Intergovernmental	490,218	252,223	-	742,441
Special Assessments	-	17,510	-	17,510
Earnings on Investments	4,876	302	-	5,178
Miscellaneous	47,550	3,198	-	50,748
Total Receipts	915,585	1,427,281	-	2,342,866
Disbursements:				
Current:				
General Government	355,510	19,708	-	375,218
Public Safety	92,185	412,554	-	504,739
Public Works	124	920,567	-	920,691
Health	451	-	-	451
Recreation	4,892	-	-	4,892
Capital Outlay	17,630	652,513	-	670,143
Total Disbursements	470,792	2,005,342	-	2,476,134
Net Change in Fund Cash Balance	444,793	(578,061)	-	(133,268)
Fund Balance January 1, 2013	1,170,863	1,950,772	\$ 1,000	3,122,635
Fund Cash Balance December 31, 2013				
Nonspendable	256	-	1,000	1,256
Restricted	-	1,372,711	-	1,372,711
Assigned	404	-	-	404
Unassigned	1,614,996	-	-	1,614,996
Fund Balance December 31, 2013	\$ 1,615,656	\$ 1,372,711	\$ 1,000	\$ 2,989,367

See accompanying Notes to the Financial Statements.

**SHARON TOWNSHIP
MEDINA COUNTY, OHIO
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN
FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
For the Year Ended December 31, 2012**

	Governmental Fund Types			Total (Memorandum Only)
	General	Special Revenue	Permanent	
Receipts:				
Property and Other Local Taxes	\$ 282,660	\$ 1,159,006	-	\$ 1,441,666
Licenses, Permits and Fees	33,898	1,900	-	35,798
Fines and Forfeitures	172	-	-	172
Intergovernmental	108,213	251,281	-	359,494
Special Assessments	-	17,539	-	17,539
Earnings on Investments	4,425	151	-	4,576
Miscellaneous	69,984	232,629	-	302,613
Total Receipts	499,352	1,662,506	-	2,161,858
Disbursements:				
Current:				
General Government	341,308	20,072	-	361,380
Public Safety	88,687	457,942	-	546,629
Public Works	616	527,301	-	527,917
Health	19	-	-	19
Capital Outlay	44,643	17,742	-	62,385
Total Disbursements	475,273	1,023,057	-	1,498,330
Receipts Over/(Under) Disbursements	24,079	639,449	-	663,528
Other Financing Sources:				
Sale of Fixed Assets	-	7,438	-	7,438
Total Other Financing Sources	-	7,438	-	7,438
Net Change in Fund Cash Balance	24,079	646,887	-	670,966
Fund Balance January 1, 2012	1,146,784	1,303,885	\$ 1,000	2,451,669
Fund Cash Balance December 31, 2012				
Nonspendable	-	-	1,000	1,000
Restricted	-	1,950,772	-	1,950,772
Assigned	2,895	-	-	2,895
Unassigned	1,167,968	-	-	1,167,968
Fund Balance December 31, 2012	\$ 1,170,863	\$ 1,950,772	\$ 1,000	\$ 3,122,635

See accompanying Notes to the Financial Statements.

SHARON TOWNSHIP
MEDINA COUNTY, OHIO

Notes to the Financial Statements
For the Years Ended December 31, 2013 and 2012

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Sharon Township, Medina County, (the Township) as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township also has a publicly elected Fiscal Officer. The Township provides road and bridge maintenance, cemetery maintenance, fire protection, emergency medical services and police protection.

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

Public Entity Risk Pool: OTARMA

OTARMA provides property and casualty insurance for its members. It pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

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

B. Accounting Basis

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

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

C. Deposits and Investments

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

D. Fund Accounting

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

1. General Fund

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

SHARON TOWNSHIP
MEDINA COUNTY, OHIO

Notes to the Financial Statements
For the Years Ended December 31, 2013 and 2012

1. Summary of Significant Accounting Policies (continued)

2. Special Revenue Funds

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

Road and Bridge Fund - This fund receives property tax money for constructing, maintaining, and repairing Township roads and bridges.

Fire Levy Fund - This fund receives property taxes and intergovernmental receipts to provide fire protection and EMS services to Township residents.

3. Permanent Funds

This fund is used to account for resources restricted by a legally binding trust agreement that requires the Township to maintain the corpus of the trust.

Cemetery Trust – This fund receives donations for the maintenance of the cemetery.

E. Budgetary Process

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

1. Appropriations

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

2. Estimated Resources

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

3. Encumbrances

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

A summary of 2013 and 2012 budgetary activity appears in Note 3.

SHARON TOWNSHIP
MEDINA COUNTY, OHIO

Notes to the Financial Statements
For the Years Ended December 31, 2013 and 2012

1. Summary of Significant Accounting Policies (continued)

F. Fund Balance

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

1. Nonspendable

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

2. Restricted

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

3. Committed

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

4. Assigned

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

5. Unassigned

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

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

SHARON TOWNSHIP
MEDINA COUNTY, OHIO

Notes to the Financial Statements
For the Years Ended December 31, 2013 and 2012

1. Summary of Significant Accounting Policies (continued)

G. Property, Plant, and Equipment

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

H. Accumulated Leave

Per Township policy, any unused paid time off will not be paid to an employee who separates from employment with the Township, regardless of whether the employee quits, is terminated for cause, or is otherwise terminated. Pro-rate paid time off may be paid out of employees upon retirement who have a minimum of ten years of continuous service with the Township. The financial statements do not include a liability for unpaid leave.

2. Equity in Pooled Deposits and Investments

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

		2013		2012
Demand deposits	\$	1,870,588	\$	2,004,292
STAR Ohio investments		1,118,779		1,118,343
Total deposits and investments	\$	2,989,367	\$	3,122,635

Deposits: Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by the financial institution's public entity deposit pool.

Investments: Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

3. Budgetary Activity

Budgetary activity for the years ending December 31, 2013 and 2012 follows:

Fund Type	2013 Budgeted vs. Actual Receipts			
		Budgeted Receipts	Actual Receipts	Variance
General	\$	438,494	\$ 915,585	\$ 477,091
Special Revenue		1,375,715	1,427,281	51,566
Permanent		0	0	0
Total	\$	1,814,209	\$ 2,342,866	\$ 528,657

SHARON TOWNSHIP
MEDINA COUNTY, OHIO

Notes to the Financial Statements
For the Years Ended December 31, 2013 and 2012

3. Budgetary Activity (continued)

<u>2013 Budgeted vs. Actual Budgetary Disbursements</u>				
Fund Type	Appropriation Authority	Actual Disbursements	Variance	
General	\$ 1,599,761	\$ 471,196	\$	1,128,565
Special Revenue	3,333,612	2,033,582		1,300,030
Permanent	1,000	0		1,000
Total	\$ 4,934,373	\$ 2,504,778	\$	2,429,595

<u>2012 Budgeted vs. Actual Receipts</u>				
Fund Type	Budgeted Receipts	Actual Receipts	Variance	
General	\$ 488,355	\$ 499,352	\$	10,997
Special Revenue	1,488,615	1,669,944		181,329
Permanent	0	0		0
Total	\$ 1,976,970	\$ 2,169,296	\$	192,326

<u>2012 Budgeted vs. Actual Budgetary Disbursements</u>				
Fund Type	Appropriation Authority	Actual Disbursements	Variance	
General	\$ 1,088,689	\$ 478,168	\$	610,521
Special Revenue	2,694,378	1,030,550		1,663,828
Permanent	1,000	0		1,000
Total	\$ 3,784,067	\$ 1,508,718	\$	2,275,349

4. Property Tax

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

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

SHARON TOWNSHIP
MEDINA COUNTY, OHIO

Notes to the Financial Statements
For the Years Ended December 31, 2013 and 2012

5. Retirement System

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

The Ohio Revised Code also prescribes contribution rates. For 2013 and 2012, OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants' gross salaries. The Township has paid all contributions required through December 31, 2013.

6. 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 Worker's 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. York Risk Pooling Services, Inc. (formally known as American Risk Pooling Consultants, Inc.) York functions as the administrator of the Pool and provides underwriting claims, loss control, risk management, and reinsurance services for the Pool. 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

The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2013, OTARMA retained \$350,000 for casualty claims and \$250,000 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.

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, 2013 and 2012:

SHARON TOWNSHIP
MEDINA COUNTY, OHIO

Notes to the Financial Statements
For the Years Ended December 31, 2013 and 2012

6. Risk Management (continued)

	<u>2013</u>	<u>2012</u>
Assets	\$34,954,286	\$34,771,270
Liabilities	8,486,363	9,355,082
Net Position	\$26,467,923	\$25,416,188

At December 31, 2013 and 2012, respectively, the liabilities above include approximately \$7.9 and \$8.7 million of estimated incurred claims payable. The assets above also include approximately \$7.4 and \$7.8 million of unpaid claims to be billed to approximately 948 member governments in the future, as of December 31, 2013 and 2012, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2013, the Township's share of these unpaid claims collectible in future years is approximately \$21,000.

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.

<u>Contributions to OTARMA</u>	
<u>2013</u>	<u>2012</u>
\$38,186	\$37,830

After one year of membership, a member may withdraw on the anniversary of the date of joining OTARMA, if the member notifies OTARMA in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's 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.

7. Contingent Liabilities

The Township is currently not party to any claims or lawsuits.

Rockefeller Building
614 W Superior Ave Ste 1242
Cleveland OH 44113-1306
Office phone - (216) 575-1630
Fax - (216) 436-2411

Charles E. Harris & Associates, Inc.
Certified Public Accountants

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

Sharon Township
Medina County
1322 Sharon-Copley Road
Sharon Center, Ohio 44281

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 Sharon Township, Medina County (the Township) as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements and have issued our report thereon dated April 29, 2014 wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

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

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. We consider finding 2013-Sharon-001 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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

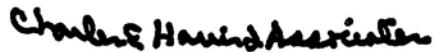
We also noted certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated April 29, 2014.

Entity'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.



Charles E. Harris and Associates, Inc.

April 29, 2014

SHARON TOWNSHIP
MEDINA COUNTY, OHIO
SCHEDULE OF FINDINGS
December 31, 2013 & 2012

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

FINDING NUMBER 2013-Sharon-001 – Material Weakness

A monitoring system should be in place to prevent or detect material misstatements for accurate presentation of the Township's financial statements and ledgers. Receipts and disbursements were not always properly posted into the accounting system.

During 2013 and 2012, the Township recorded various homestead and rollback receipts as property taxes. Also, homestead and rollback receipts were not always posted to the proper fund. In addition, the Township recorded semi-annual real estate tax settlement receipts at an amount that was net of tax collection fees. The Township should record the full amount of real estate tax receipts, as well as the corresponding tax collection fees from the County Treasurer. All transactions were reclassified in the audit report and the Township's records.

Officials' Response:

Going forward, the Fiscal Officer will ensure that these receipts are posted in the correct line items.

SHARON TOWNSHIP
 MEDINA COUNTY, OHIO
 December 31, 2013 and 2012

SCHEDULE OF PRIOR AUDIT FINDINGS

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2011-01	Receipts and disbursements not always properly posted into the accounting system	No	Reissued as Finding 2013-Sharon-001
2011-02	Appropriations Exceeding Estimated Resources	Yes	Budgetary issues resolved
2011-03	Certification of Trustees' salaries by Fund	Yes	Trustee salary issues resolved



Dave Yost • Auditor of State

SHARON TOWNSHIP

MEDINA 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
JULY 24, 2014**