



Balestra, Harr & Scherer, CPAs, Inc.

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

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SUNFISH TOWNSHIP
PIKE COUNTY

REGULAR AUDIT

For the Years Ended December 31, 2013 and 2012
Fiscal Years Audited Under GAGAS: 2013 and 2012



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of Sunfish Township, Pike County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 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. Sunfish Township is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

April 29, 2014

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Sunfish Township
Pike County
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Independent Auditor's Report

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

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of Sunfish Township, Pike 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 appropriations 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 opinion

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

As described in Note 1 of the financial statements, the Township prepared these financial statements using the accounting basis permitted by the financial reporting provisions of 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 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.

Basis for Qualified Opinions on the General, Gasoline Tax and Cemetery Funds

The Township had prior audit adjustments that were not posted to the Township's accounting system due to the impact that these adjustments would have on the General Fund. Had the posting of the prior audit adjustments been made to the financial statements and accounting system, the General Fund cash fund balance would have decreased by \$5,698, and the Gasoline Tax Fund cash fund balance would have increased by \$5,698.

Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of such adjustment made to the financial statements due to the errors described in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Sunfish Township, Pike 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 February 28, 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.

Balestra, Harr & Scherer, CPAs

Balestra, Harr & Scherer, CPAs, Inc.
Piketon, Ohio
February 28, 2014

**Sunfish Township
Pike County**

Combined Statement of Cash Receipts, Cash Disbursements, and
Changes in Fund Cash Balances
All Governmental Fund Types
For the Year Ended December 31, 2013

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Taxes	\$ 12,614	33,711	\$ 46,325
Intergovernmental	20,243	98,473	118,716
Earnings on Investments	26	57	83
Miscellaneous	657	-	657
	<u>33,540</u>	<u>132,241</u>	<u>165,781</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
General Government	27,682	-	27,682
Public Safety	-	72,765	72,765
Public Works	-	14,395	14,395
Health	-	5,827	5,827
Debt Service:			
Redemption of Principal	-	3,579	3,579
Interest and Fiscal Charges	-	1,109	1,109
	<u>27,682</u>	<u>97,675</u>	<u>125,357</u>
Total Cash Disbursements			
Net Change in Fund Cash Balances	5,858	34,566	40,424
Fund Cash Balances	<u>23,022</u>	<u>128,100</u>	<u>151,122</u>
Fund Cash Balances, December 31			
Restricted	-	162,666	162,666
Unassigned (Deficit)	28,880	-	28,880
Fund Cash Balances, December 31	<u>\$ 28,880</u>	<u>\$ 162,666</u>	<u>\$ 191,546</u>

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

**Sunfish Township
Pike County**

Combined Statement of Cash Receipts, Cash Disbursements, and
Changes in Fund Cash Balances
All Governmental Fund Types
For the Year Ended December 31, 2012

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Taxes	\$ 12,614	\$ 34,735	\$ 47,349
Intergovernmental	18,840	97,444	116,284
Earnings on Investments	26	59	85
Miscellaneous	-	163	163
	<u>31,480</u>	<u>132,401</u>	<u>163,881</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
General Government	21,369	-	21,369
Public Safety	-	65,738	65,738
Public Works	-	59,960	59,960
Health	-	12,464	12,464
Debt Service:			
Redemption of Principal	-	3,831	3,831
Interest and Fiscal Charges	-	1,283	1,283
	<u>21,369</u>	<u>143,276</u>	<u>164,645</u>
Total Cash Disbursements			
Net Change in Fund Cash Balances	10,111	(10,875)	(764)
Fund Cash Balances, January 1, as Restated, See Note 9	<u>12,911</u>	<u>138,975</u>	<u>151,886</u>
Fund Cash Balances, December 31			
Restricted	-	128,100	128,100
Unassigned (Deficit)	<u>23,022</u>	<u>-</u>	<u>23,022</u>
Fund Cash Balances, December 31	<u>\$ 23,022</u>	<u>\$ 128,100</u>	<u>\$ 151,122</u>

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

**Sunfish Township
Pike County**

Notes to the Financial Statements
For The Year 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 Sunfish Township, Pike County (the Township), as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance and cemetery maintenance. The township contracts with Elm Grove Volunteer Fire Department to provide fire services.

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

B. Accounting Basis

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

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

C. Fund Accounting

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

1. General Fund

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

2. Special Revenue Funds

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

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

**Sunfish Township
Pike County**

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

1. Summary of Significant Accounting Policies (Continued)

D. Budgetary Process

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

1. Appropriations

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

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

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

E. 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.

**Sunfish Township
Pike County**

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

1. Summary of Significant Accounting Policies (Continued)

E. Fund Balance (Continued)

3. Committed

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

4. Assigned

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

5. Unassigned

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

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

F. Property, Plant and Equipment

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

G. Accumulated Leave

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

**Sunfish Township
Pike County**

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

2. Equity in Pooled Cash

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

	2013	2012
Demand deposits	\$191,546	\$151,122

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

3. Budgetary Activity

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

2013 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 26,908	\$ 33,540	\$ 6,632
Special Revenue	97,251	132,241	34,990
Total	\$ 124,159	\$ 165,781	\$ 41,622

2013 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 68,700	\$ 27,682	\$ 41,018
Special Revenue	256,332	97,675	158,657
Total	\$ 325,032	\$ 125,357	\$ 199,675

**Sunfish Township
Pike County**

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

3. Budgetary Activity (Continued)

2012 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 29,676	\$ 31,480	\$ 1,804
Special Revenue	100,465	132,401	31,936
Total	\$ 130,141	\$ 163,881	\$ 33,740

2012 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 59,850	\$ 21,369	\$ 38,481
Special Revenue	264,217	143,276	120,941
Total	\$ 324,067	\$ 164,645	\$ 159,422

4. Property Tax

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

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

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

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

**Sunfish Township
Pike County**

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

5. Debt

Debt outstanding at December 31, 2013 was as follows:

	Principal	Interest Rate
Note for purchase of backhoe	\$ 20,293	5.00%

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

Amortization of the above debt, including interest of \$1,015, is scheduled as follows:

	Backhoe Note
Year Ending December 31:	
2014	\$ 21,308
Total	\$ 21,308

6. Retirement Systems

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

The Ohio Revised Code also prescribes contribution rates. For 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.

7. Risk Management

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

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

Sunfish Township
Pike County

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

8. Compliance

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

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

Contrary to the Ohio Revised Code section 5705.36, the township had appropriations in excess of available resources.

9. Restatement of Fund Balances

The Township's fund cash balances have been restated to reflect the effects of the posting of audit adjustments stemming from the 2006-2007 financial statement audit. These adjustments were the result of non-compliance with ORC Section 505.24(C), wherein the Township did not provide proper documentation for allocation of the Trustee's compensation. The Township did not post \$6,000 of these adjustments until 2012. The posting of the aforementioned adjustments had the following effect on fund cash balances previously reported by the governmental funds:

	General Fund	Special Revenue Funds
Fund cash balance, December 31, 2011	\$ 18,911	\$ 132,975
Adjustments posted	(6,000)	6,000
Restated fund cash balance, January 1, 2012	\$ 12,911	\$ 138,975



Balestra, Harr & Scherer, CPAs, Inc.

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

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

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

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 Sunfish Township, Pike County, Ohio, (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 February 28, 2014 wherein we noted the Township followed accounting financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permit, described in Note 1.

Internal Control Over Financial Reporting

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

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 certain deficiencies in internal control over financial reporting, that we consider material weaknesses.

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 findings 2013-02 and 2013-04 described in the accompanying schedule of findings to be material weaknesses.

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 instances of noncompliance or other matters we must report under *Government Auditing Standards*, which are described in the accompanying schedule of findings as items 2013-01, 2013-03, and 2013-05.

Entity's Response to Findings

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

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.

Balestra, Harr & Scherer, CPAs

Balestra, Harr & Scherer, CPAs, Inc.
Piketon, Ohio
February 28, 2014

**Sunfish Township
Pike County**

Schedule of Findings and Responses
For The Year Ended December 31, 2013 and 2012

FINDING NUMBER 2013-01

Non-Compliance

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

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

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

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

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

The Township's Fiscal Officer did not certify the availability of funds prior to making commitments for 76% of the disbursements tested for 2012 and 72% of the disbursements tested for 2013. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

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

Client Response:

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

**Sunfish Township
Pike County**

Schedule of Findings and Responses
For The Year Ended December 31, 2013 and 2012

FINDING NUMBER 2013-02

Material Weakness – Financial Reporting

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

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

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

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

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

Client Response:

The Fiscal Officer will make the corrections.

FINDING NUMBER 2013-03

Material Non-Compliance

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

Upon comparison of appropriations to estimated resources (defined as unencumbered beginning balance plus estimated receipts), appropriations were in excess of estimated resources at December 31, 2012 in the General Fund by \$17,263, the Road & Bridge by \$3,872, The Cemetery Fund by \$8,299 and the Fire Fund by \$12,606. At December 31, 2013 the Township had appropriations in excess of estimated resources in the General Fund by \$18,770, in the MVGT Fund by \$1,288, in the Road & Bridge Fund by \$4,353, in the Cemetery Fund by \$10,372, and in the Fire Fund by \$14,968.

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

Client Response:

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

**Sunfish Township
Pike County**

Schedule of Findings and Responses
For The Year Ended December 31, 2013 and 2012

FINDING NUMBER 2013-04

Material Weakness – Bank Reconciliations

Accurate monthly reconciliations of the ending bank account balance to the Township's ending book balance were not performed. At the end of 2012 we need an item that was recorded as a deposit in transit that was a receipt that had been booked twice in the system; we also noted several checks were identified as being cleared at December 31 that did not clear the bank until subsequent months. Furthermore the bank balance recorded on the reconciliation did not agree with the amount on the bank statement. At the end of 2013 we noted a deposit in transit that was the result of a receipt being posted twice and not properly voided in the UAN system.

The Township Fiscal Officer should ensure that the bank account is reconciled at the end of each month and all differences between book and bank balances should be investigated on a timely basis so that errors and adjustments can be quickly identified and corrected. Finally, the Board of Trustees should review the bank reconciliations on a monthly basis and inquire of any unexplained differences between the book and bank balances.

Client Response:

The Fiscal Officer will make the corrections.

FINDING NUMBER 2013-05

Material Non-Compliance

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

The Township had appropriations in excess of available resources (defined as unencumbered beginning balance plus actual receipts), at December 31, 2013 appropriations were in excess of available resources in the General Fund by \$12,138, in the MVGT Fund by 1,271, in the Road & Bridge Fund by \$3,898, in the Cemetery Fund by \$8,784 and in the Fire Fund by \$21,629; at December 31, 2012 appropriations were in excess of available resources in the General Fund by \$10,736, in the MVGT Fund by \$8,500, in the Road & Bridge Fund by \$3,780, in the Cemetery Fund by \$24,823 and in the Fire Fund by \$21,357.

The Township should implement monitoring procedures to ensure that a reduced amended certificate is obtained in the event that appropriations become in excess of available resources.

Client Response:

The Fiscal Officer will make the corrections.

**Sunfish Township
Pike County**

Schedule of Prior Audit Findings
For the Year Ended December 31, 2013 and 2012

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2007-002	FFA/Material Weakness ORC Section 505.24(C) documentation for trustee's compensation allocation	Partially Corrected	Partially corrected: the Township is requiring documentation for trustees pay allocation; however, the prior audit Finding for Adjustment has not been fully adjusted as of December 31, 2013
2011-001	ORC Section 5705.41(D) Fiscal Officer's certification of available funds for disbursement.	No	Reissued as 2013-01
2011-002	Material Weakness – Financial Reporting	No	Reissued as 2013-02
2011-003	ORC 5705.36(A)(4) obtaining a reduced amended certificate	No	Reissued as 2013-05
2011-004	ORC 5705.39 appropriation limited by estimated resources	No	Reissued as 2013-03

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Dave Yost • Auditor of State

SUNFISH TOWNSHIP

PIKE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MAY 13, 2014**