



Dave Yost • Auditor of State



PICKAWAY TOWNSHIP  
PICKAWAY COUNTY

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Pickaway Township  
Pickaway County  
6166 Zane Trail Road  
Circleville, Ohio 43113

To the Board of Trustees:

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

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

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

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

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

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances as of December 31, 2011 and 2010 of Pickaway Township, Pickaway County, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

As described in Note 1, during 2011 Pickaway Township adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Also as described in Note 2, the Township restated the General and Special Revenue Fund balances for year ended 2010 to report EMS/Fire activity in a Special Revenue Fund.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



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

January 31, 2014

**PICKAWAY TOWNSHIP  
PICKAWAY COUNTY**

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

	General	Special Revenue	Permanent	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$ 198,690	\$ 121,067	\$ -	\$ 319,757
Charges for Services	-	215,477	-	215,477
Licenses, Permits and Fees	1,350	-	-	1,350
Intergovernmental	16,995	109,847	-	126,842
Earnings on Investments	324	324	4	652
<i>Total Cash Receipts</i>	<u>217,359</u>	<u>446,715</u>	<u>4</u>	<u>664,078</u>
<b>Cash Disbursements</b>				
Current:				
General Government	185,857	-	-	185,857
Public Safety	-	260,191	-	260,191
Public Works	584	229,191	-	229,775
Health	7,172	-	-	7,172
Capital Outlay	25,471	-	-	25,471
Debt Service:				
Principal Retirement		32,723		32,723
Interest and Fiscal Charges		3,101		3,101
<i>Total Cash Disbursements</i>	<u>219,084</u>	<u>525,206</u>	<u>-</u>	<u>744,290</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(1,725)</u>	<u>(78,491)</u>	<u>4</u>	<u>(80,212)</u>
<b>Other Financing Receipts</b>				
Other Financing Sources	14,131	-	-	14,131
<i>Total Other Financing Receipts</i>	<u>14,131</u>	<u>-</u>	<u>-</u>	<u>14,131</u>
<i>Net Change in Fund Cash Balances</i>	12,406	(78,491)	4	(66,081)
<i>Fund Cash Balances, January 1</i>	<u>216,005</u>	<u>204,747</u>	<u>1,348</u>	<u>422,100</u>
<b>Fund Cash Balances, December 31</b>				
Nonspendable	-	-	1,000	1,000
Restricted	-	126,256	352	126,608
Committed	-	-	-	-
Assigned	201,635	-	-	201,635
Unassigned (Deficit)	26,776	-	-	26,776
<i>Fund Cash Balances, December 31</i>	<u>\$ 228,411</u>	<u>\$ 126,256</u>	<u>\$ 1,352</u>	<u>\$ 356,019</u>

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

**PICKAWAY TOWNSHIP  
PICKAWAY COUNTY**

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

	General	Special Revenue	Permanent	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$ 202,454	\$ 125,208	\$ -	\$ 327,662
Charges for Services	-	185,859	-	185,859
Licenses, Permits and Fees	8,552	-	-	8,552
Intergovernmental	87,310	111,897	-	199,207
Earnings on Investments	469	313	7	789
<i>Total Cash Receipts</i>	<u>298,785</u>	<u>423,277</u>	<u>7</u>	<u>722,069</u>
<b>Cash Disbursements</b>				
Current:				
General Government	158,195	-	-	158,195
Public Safety	-	203,727	-	203,727
Public Works	600	198,758	-	199,358
Health	6,907	-	-	6,907
Capital Outlay	8,206	33,710	-	41,916
Debt Service:				
Principal Retirement	5,770	25,114	-	30,884
Interest and Fiscal Charges	-	3,309	-	3,309
<i>Total Cash Disbursements</i>	<u>179,678</u>	<u>464,618</u>	<u>-</u>	<u>644,296</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>119,107</u>	<u>(41,341)</u>	<u>7</u>	<u>77,773</u>
<b>Other Financing Receipts</b>				
Other Debt Proceeds	-	33,710	-	33,710
Other Financing Sources	4,365	-	-	4,365
<i>Total Other Financing Receipts</i>	<u>4,365</u>	<u>33,710</u>	<u>-</u>	<u>38,075</u>
<i>Net Change in Fund Cash Balances</i>	123,472	(7,631)	7	115,848
<i>Fund Cash Balances, January 1 (Restated)</i>	<u>92,533</u>	<u>212,378</u>	<u>1,341</u>	<u>306,252</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 216,005</u>	<u>\$ 204,747</u>	<u>\$ 1,348</u>	<u>\$ 422,100</u>

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



**PICKAWAY TOWNSHIP  
PICKAWAY COUNTY**

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

**1. Summary of Significant Accounting Policies**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Pickaway Township, Pickaway 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, cemetery maintenance, fire protection and emergency medical services.

The Township participates in the Ohio Township Association Risk Management Authority public entity risk pool. Note 8 to the financial statements provides additional information for these entities. These organizations are:

Public Entity Risk Pool:

Ohio Township Association Risk Management Authority – This risk-sharing pool, available to Ohio Township provides property and casualty insurance for its members.

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.

During 2011 and 2010, the Township invested in nonnegotiable certificates of deposit. The nonnegotiable certificates of deposit are reported at cost.

**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.

**PICKAWAY TOWNSHIP  
PICKAWAY COUNTY**

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

**1. Summary of Significant Accounting Policies (Continued)**

**D. Fund Accounting (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:

Motor Vehicle License Tax – This fund receives license tax receipts for constructing, maintaining, and repairing Township roads and bridges.

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

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

The Fire and Emergency Fund – This fund accumulates tax levy and charges for services receipts for the provision of fire protection and EMS services to the Township and contracting governments.

Permissive Motor Vehicle Fund – This fund receives license tax receipts to be used for road and bridge and associated purposes within the Township.

**3. Permanent Funds**

These funds account for assets held under a trust agreement that are legally restricted to the extent that only earnings, not principal, are available to support the Township's programs. The Township had the following significant permanent fund.

Cemetery Endowment Fund – This fund receives interest earned on the nonexpendable corpus from a trust agreement. These earnings are used for the general maintenance and upkeep of the Township's 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 unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

PICKAWAY TOWNSHIP  
PICKAWAY COUNTY

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

1. Summary of Significant Accounting Policies (Continued)

E. Budgetary Process (Continued)

3. Encumbrances (Continued)

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

A summary of 2011 and 2010 budgetary activity appears in Note 3.

F. Fund Balance

For December 31, 2011, Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

1. Nonspendable

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

2. Restricted

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

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.

**PICKAWAY TOWNSHIP  
PICKAWAY COUNTY**

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

**1. Summary of Significant Accounting Policies (Continued)**

**F. Fund Balance (Continued)**

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.

**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.

**2. Restatement of Prior Year Balance**

The Township failed to create a Special Revenue fund to account for Fire and EMS charges for services as well as public safety expenditures. In order to properly record these revenues and expenditures, a Fire/EMS Special Revenue fund has been created for 2010.

The effect of these adjustments on fund balance is as follows:

	General Fund	Special Revenue
Fund Balance December 31, 2009	\$142,938	\$161,973
Excess Charges for Services over Public Safety Expenditures	(50,405)	50,405
Restated Fund Balance January 1, 2010	\$92,533	\$212,378

**3. Equity in Pooled Deposits and Investments**

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

	2011	2010
Demand deposits	\$355,019	\$421,100
Certificates of deposit	1,000	1,000
Total deposits and investments	\$356,019	\$422,100

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

**PICKAWAY TOWNSHIP  
PICKAWAY COUNTY**

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

**4. Budgetary Activity**

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

2011 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$182,961	\$231,490	\$48,529
Special Revenue	447,842	446,715	(1,127)
Permanent	-	4	4
Total	<u>\$630,803</u>	<u>\$678,209</u>	<u>\$47,406</u>

2011 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$361,978	\$219,084	\$142,893
Special Revenue	618,424	525,206	93,218
Permanent	-	-	-
Total	<u>\$980,402</u>	<u>\$744,290</u>	<u>\$236,111</u>

2010 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$139,572	\$303,150	\$163,578
Special Revenue	339,969	456,987	117,018
Permanent	-	7	-
Total	<u>\$479,541</u>	<u>\$760,144</u>	<u>\$280,596</u>

2010 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$271,331	\$179,678	\$91,653
Special Revenue	513,469	464,618	48,851
Permanent	-	-	-
Total	<u>\$784,800</u>	<u>\$644,296</u>	<u>\$140,504</u>

**PICKAWAY TOWNSHIP  
PICKAWAY COUNTY**

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

**5. 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.

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.

**6. Debt**

Debt outstanding at December 31, 2011 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Public Works Commission	\$80,015	0%
Kingston National Bank 1	22,081	5.25%
Kingston National Bank 2	27,117	3.6%
Total	<u><u>\$129,213</u></u>	

The Township issued an Ohio Public Works Commission (OPWC) note in 2007 to finance the replacement of a Township Road, to be repaid from the Gasoline Tax Fund over a twenty year period. Also in 2007 the Township issued a note with the Kingston National Bank to cover the local portion required by OPWC for the replacement of a Township Road, to be repaid from the Gasoline Tax Fund over a five year period. In 2010, the Township received a loan in the amount of \$33,710 from the Kingston National Bank for the purchase of a new tractor. The loan is to be repaid over a period of 5 years.

Amortization of the above debt, including interest, is scheduled as follows:

Year ending December 31:	OPWC	Kingston	Kingston
		National Bank 1	National Bank 2
2012	\$5,162	\$23,261	\$7,401
2013	5,162	-	7,401
2014	5,162	-	7,401
2015	5,162	-	7,401
2016	5,162	-	-
2017-2021	25,812	-	-
2022-2026	25,812	-	-
2027-2031	2,581	-	-
Total	<u><u>\$80,015</u></u>	<u><u>\$23,261</u></u>	<u><u>\$29,604</u></u>

**PICKAWAY TOWNSHIP  
PICKAWAY COUNTY**

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

**6. Debt (Continued)**

In addition to the debt described above, the Township has defeased certain debt issues from prior years. Debt principal outstanding at December 31, 2011 was \$129,213. This disclosure does not include the related defeased debt or assets, since trustee assets should provide sufficient resources to retire the debt.

**7. Retirement Systems**

The Township's elected officials and employees belong to the Public Employees Retirement System (OPERS) of Ohio. OPERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

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

**8. Risk Management**

The Township has obtained commercial insurance for the following risks:

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

**Risk Pool Membership**

The Township is a member of the Ohio Township Association Risk Management Authority (the Pool). The Pool assumes the risk of loss up to the limits of Pickaway Township's policy. The Pool may make supplemental assessments if the experience of the overall pool is unfavorable. The Pool covers the following risks:

- General liability and casualty;
- Public official's liability; and
- Vehicle.

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2011</u>	<u>2010</u>
Cash and investments	\$35,086,162	\$35,855,252
Actuarial liabilities	\$9,718,792	\$10,664,724

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# Dave Yost • Auditor of State

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

Pickaway Township  
Pickaway County  
6166 Zane Trail Road  
Circleville, Ohio 43113

To the Board of Trustees:

We have audited the financial statements of Pickaway Township, Pickaway County, Ohio (the Township) as of and for the years ended December 31, 2011 and December 31, 2010, and have issued our report thereon dated January 31, 2014, wherein we noted the Township adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. We also noted the Township followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America and noted the Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). In addition the Township had a restatement of prior year balances for the General and Special Revenue Funds to report EMS/Fire activity in a Special Revenue Fund. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider finding 2011-001 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, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2011-001.

We also noted certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated January 31, 2014.

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

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

January 31, 2014

**PICKAWAY TOWNSHIP  
PICKAWAY COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2011 AND 2010**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2011-001**

**Material Weakness Material Weakness/Noncompliance Citation — Financial Reporting**

**Ohio Rev. Code Section 5705.09 (F)** requires that each subdivision shall establish a special fund for each source of revenues derived from a source other than the general property tax, which the law requires to be used for a particular purpose.

In addition, per **Ohio Rev. Code Section 505.84**, Fire and EMS charges shall be kept in a separate fund designated as "the fire and rescue services, ambulance services, and emergency medical services fund," and shall be appropriated and administered by the board.

Procedures and controls should be in place to prevent and detect errors in the accounting records and financial statements to help assure that the users have accurate and complete information.

For the 2011 financial statements and records, \$260,191 in Public Safety expenditures and \$215,477 in Charges for Services revenues for Fire and EMS services were improperly posted to the General Fund. These amounts were adjusted from the General Fund to a newly created Fire/EMS Special Revenue Fund.

For the 2010 financial statements and records, \$203,727 in Public Safety expenditures and \$185,859 in Charges for Services for Fire and EMS services were improperly posted to the General Fund. These amounts were adjusted from the General Fund to a newly created Fire/EMS Special Revenue Fund.

The accompanying financial statements and the accounting records, have been adjusted to correct the errors noted above.

Errors in the financial statements and supporting ledgers inhibit the ability of both the Township Fiscal Officer and the Trustees to monitor financial activity and to make sound financial decision. Reliance on financial information that contains errors could result in noncompliance with laws and regulations applicable to the Township. In addition, financial information with errors reduces the likelihood that irregularities will be detected in a timely manner.

We recommend the Township Fiscal Officer review the Ohio Township Handbook and the applicable Auditor of State Bulletins to ensure receipts and expenditures are properly posted and classified and to ensure fund balance are accurately presented.

Also to help improve internal controls over financial reporting, we recommend the Trustees periodically review the financial statements and accounting ledgers to help identify errors and/or irregularities. Prior to submission to the Auditor of State, the annual financial statements should be reviewed for accuracy.

**Officials' Response:** We did not receive a response from Officials to this finding.

**PICKAWAY TOWNSHIP  
PICKAWAY COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 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>
2009-01	Financial Reporting	No	Finding 2011-01
2009-02	Appropriations exceeding estimated resources	Yes	N/A
2009-03	Expenditures exceeding appropriations	Yes	N/A



# Dave Yost • Auditor of State

**PICKAWAY TOWNSHIP**

**PICKAWAY 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  
MARCH 18, 2014**