



Dave Yost • Auditor of State



**PULASKI TOWNSHIP  
WILLIAMS COUNTY**

**TABLE OF CONTENTS**

| <b>TITLE</b>   | <b>PAGE</b> |
|--|-------------|
| Independent Auditor's Report .....   | 1           |
| Combined Statement of Receipts, Disbursements, and Changes in<br>Fund Cash Balances (Cash Basis) - All Governmental Fund Types -<br>For the Year Ended December 31, 2013 ..... | 3           |
| Combined Statement of Receipts, Disbursements, and Changes in<br>Fund Cash Balances (Cash Basis) - All Governmental Fund Types -<br>For the Year Ended December 31, 2012 ..... | 4           |
| Notes to the Financial Statements .....  | 5           |
| Independent Auditor's Report on Internal Control Over<br>Financial Reporting and on Compliance and Other Matters<br>Required by <i>Government Auditing Standards</i> .....     | 11          |
| Schedule of Findings.....  | 13          |

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Pulaski Township  
Williams County  
15965 Williams County Road F  
Bryan, Ohio 43506

To the Board of Trustees:

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

We have audited the accompanying financial statements and related notes of Pulaski Township, Williams County, Ohio, (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 Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

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

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

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

One Government Center / Suite 1420 / Toledo, OH 43604-2246  
Telephone: (419) 245-2811 (800) 443-9276 Fax: (419) 245-2484  
[www.ohioauditor.gov](http://www.ohioauditor.gov)

***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(D), 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 Pulaski Township, Williams County, Ohio, 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(D) permit, described in Note 1.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 1, 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.



**Dave Yost**  
Auditor of State

Columbus, Ohio

July 1, 2014

**PULASKI TOWNSHIP  
WILLIAMS COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

|   | General                 | Special<br>Revenue      | Totals<br>(Memorandum<br>Only) |
|---|-------------------------|-------------------------|--------------------------------|
| <b>Cash Receipts</b>                    |                         |                         |                                |
| Property and Other Local Taxes          | \$38,301                | \$84,863                | \$123,164                      |
| Charges for Services                    |                         | 1,030                   | 1,030                          |
| Licenses, Permits and Fees              | 20,595                  |                         | 20,595                         |
| Intergovernmental                       | 121,467                 | 176,712                 | 298,179                        |
| Earnings on Investments                 | 3,549                   | 400                     | 3,949                          |
| Miscellaneous                           | 1,649                   | 525                     | 2,174                          |
| <i>Total Cash Receipts</i>              | <u>185,561</u>          | <u>263,530</u>          | <u>449,091</u>                 |
| <b>Cash Disbursements</b>               |                         |                         |                                |
| Current:                                |                         |                         |                                |
| General Government                      | 87,237                  |                         | 87,237                         |
| Public Safety                           |                         | 68,438                  | 68,438                         |
| Public Works                            | 51,114                  | 248,174                 | 299,288                        |
| Health                                  | 760                     |                         | 760                            |
| Conservation-Recreation                 | 3,361                   |                         | 3,361                          |
| Capital Outlay                          | 9,808                   | 6,695                   | 16,503                         |
| <i>Total Cash Disbursements</i>         | <u>152,280</u>          | <u>323,307</u>          | <u>475,587</u>                 |
| <i>Net Change in Fund Cash Balances</i> | 33,281                  | (59,777)                | (26,496)                       |
| <i>Fund Cash Balances, January 1</i>    | <u>461,623</u>          | <u>215,085</u>          | <u>676,708</u>                 |
| <b>Fund Cash Balances, December 31</b>  |                         |                         |                                |
| Restricted                              |                         | 99,988                  | 99,988                         |
| Committed                               |                         | 55,320                  | 55,320                         |
| Unassigned                              | 494,904                 |                         | 494,904                        |
| <i>Fund Cash Balances, December 31</i>  | <u><u>\$494,904</u></u> | <u><u>\$155,308</u></u> | <u><u>\$650,212</u></u>        |

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

**PULASKI TOWNSHIP  
WILLIAMS COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2012**

|   | General                 | Special<br>Revenue      | Totals<br>(Memorandum<br>Only) |
|---|-------------------------|-------------------------|--------------------------------|
| <b>Cash Receipts</b>                    |                         |                         |                                |
| Property and Other Local Taxes          | \$39,626                | \$84,599                | \$124,225                      |
| Charges for Services                    |                         | 2,630                   | 2,630                          |
| Licenses, Permits and Fees              | 20,770                  |                         | 20,770                         |
| Intergovernmental                       | 151,108                 | 189,290                 | 340,398                        |
| Earnings on Investments                 | 4,587                   | 400                     | 4,987                          |
| Miscellaneous                           | 606                     | 379                     | 985                            |
| <i>Total Cash Receipts</i>              | <u>216,697</u>          | <u>277,298</u>          | <u>493,995</u>                 |
| <b>Cash Disbursements</b>               |                         |                         |                                |
| Current:                                |                         |                         |                                |
| General Government                      | 87,763                  |                         | 87,763                         |
| Public Safety                           |                         | 28,127                  | 28,127                         |
| Public Works                            | 1,100                   | 200,316                 | 201,416                        |
| Health                                  | 535                     |                         | 535                            |
| Conservation-Recreation                 | 6,049                   |                         | 6,049                          |
| Capital Outlay                          | 13,009                  |                         | 13,009                         |
| <i>Total Cash Disbursements</i>         | <u>108,456</u>          | <u>228,443</u>          | <u>336,899</u>                 |
| <i>Net Change in Fund Cash Balances</i> | 108,241                 | 48,855                  | 157,096                        |
| <i>Fund Cash Balances, January 1</i>    | <u>353,382</u>          | <u>166,230</u>          | <u>519,612</u>                 |
| <b>Fund Cash Balances, December 31</b>  |                         |                         |                                |
| Restricted                              |                         | 139,527                 | 139,527                        |
| Committed                               |                         | 75,558                  | 75,558                         |
| Unassigned                              | 461,623                 |                         | 461,623                        |
| <i>Fund Cash Balances, December 31</i>  | <u><u>\$461,623</u></u> | <u><u>\$215,085</u></u> | <u><u>\$676,708</u></u>        |

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



**PULASKI TOWNSHIP  
WILLIAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
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 Pulaski Township, Williams 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, and fire protection. The Township contracts with the City of Bryan to provide fire protection services.

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

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.

The Township invested in repurchase agreements. Investments 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 accounts for and reports all financial resources not accounted for and reported in another fund.

**PULASKI TOWNSHIP  
WILLIAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

**2. Special Revenue Funds**

These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

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

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

**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. 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 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.

**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.

**PULASKI TOWNSHIP  
WILLIAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

**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.

**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**

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

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

The Township maintains a deposit and investment pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments

**PULASKI TOWNSHIP  
WILLIAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

at December 31 was as follows:

|                                | 2013    | 2012      |
|--------------------------------|---------|-----------|
| Demand deposits                | (\$26)  | (\$3,662) |
| Repurchase agreement           | 650,238 | 680,370   |
| Total deposits and investments | 650,212 | 676,708   |

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation.

**Investments:** The Township's financial institution transfers securities to collateralize repurchase agreements. The securities are not in the Township's name.

**3. Budgetary Activity**

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

2013 Budgeted vs. Actual Receipts

|                 | Budgeted<br>Receipts | Actual<br>Receipts | Variance |
|-----------------|----------------------|--------------------|----------|
| General         | \$131,282            | \$185,561          | \$54,279 |
| Special Revenue | 270,078              | 263,530            | (6,548)  |
| Total           | \$401,360            | \$449,091          | \$47,731 |

2013 Budgeted vs. Actual Budgetary Basis Expenditures

|                 | Appropriation<br>Authority | Budgetary<br>Expenditures | Variance  |
|-----------------|----------------------------|---------------------------|-----------|
| General         | \$592,662                  | \$152,280                 | \$440,382 |
| Special Revenue | 485,406                    | 323,307                   | 162,099   |
| Total           | \$1,078,068                | \$475,587                 | \$602,481 |

2012 Budgeted vs. Actual Receipts

|                 | Budgeted<br>Receipts | Actual<br>Receipts | Variance |
|-----------------|----------------------|--------------------|----------|
| General         | \$125,274            | \$216,697          | \$91,423 |
| Special Revenue | 279,057              | 277,298            | (1,759)  |
| Total           | \$404,331            | \$493,995          | \$89,664 |

2012 Budgeted vs. Actual Budgetary Basis Expenditures

|                 | Appropriation<br>Authority | Budgetary<br>Expenditures | Variance  |
|-----------------|----------------------------|---------------------------|-----------|
| General         | \$478,655                  | \$108,456                 | \$370,199 |
| Special Revenue | 445,286                    | 228,443                   | 216,843   |
| Total           | \$923,941                  | \$336,899                 | \$587,042 |

**PULASKI TOWNSHIP  
WILLIAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

**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.

**5. Retirement System**

The Township's officials and employee belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this 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.

**6. Risk Management**

**Risk Pool Membership**

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 or Management), 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,

**PULASKI TOWNSHIP  
WILLIAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

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:

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

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 \$3,000.

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> |
| \$5,742                        | \$5,586     |

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.



# Dave Yost • Auditor of State

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

Pulaski Township  
Williams County  
15965 Williams County Road F  
Bryan, Ohio 43506

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 Pulaski Township, Williams 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 July 1, 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 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 internal control deficiencies less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider findings 2013-001 and 2013-002 described in the accompanying schedule of findings to be material weaknesses.

One Government Center / Suite 1420 / Toledo, OH 43604-2246  
Telephone: (419) 245-2811 (800) 443-9276 Fax: (419) 245-2484  
[www.ohioauditor.gov](http://www.ohioauditor.gov)

***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*.

***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.

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

July 1, 2014



**PULASKI TOWNSHIP  
WILLIAMS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2013 AND 2012**

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

**FINDING NUMBER 2013-001**

**Material Weakness – Fund Balance Classification**

Governmental Accounting Standards Board (GASB) Statement No. 54 established criteria for reporting governmental fund balances based on constraints placed upon the use of resources reported in the governmental funds. The five classifications are nonspendable, restricted, committed, assigned, and unassigned.

Restricted revenues included those where constraints have placed been on the use by either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments (i.e., State Statutes); or (b) imposed by law through constitutional provisions or enabling legislation.

Committed revenues include amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the township's highest level of decision-making authority (such as an ordinance or resolution).

The Board of Trustees approved using inside millage committing these monies for road and bridge improvements and maintenance purposes. These amounts have been placed into the Road and Bridge Fund and reported the Road and Bridge Fund balances of \$55,320 at December 31, 2013 and \$74,024 at December 31, 2012 as "restricted" instead of "committed."

Adjustments were made to reclassify the Road and Bridge Fund balances from "restricted" to "committed."

In order to ensure the Township's governmental fund balances are reported in accordance with GASB 54, we recommend the Township review Auditor of State Bulletin 2011-004.

**FINDING NUMBER 2013-002**

**Material Weakness - Financial Reporting**

As a result of the audit procedures performed, the following errors were noted in the financial statements that required audit adjustments.

- Rollback and homestead monies were recorded as "Property and Other Local Taxes" revenue and "Miscellaneous" revenue instead of "Intergovernmental" revenue in the General Fund (\$7,674 in 2012 and \$6,291 in 2013), Road and Bridge Fund (\$4,253 in 2012 and \$8,808 in 2013), and Fire Levy Fund (\$4,253 in 2012 and \$2,478 in 2013).
- Tangible personal property tax loss reimbursement monies were recorded as "Property and Other Local Taxes" revenue instead of "Intergovernmental" revenue in the General Fund (\$2,176 in 2012 and \$1,129 in 2013), Road and Bridge Fund (\$3,046 in 2012 and \$1,581 in 2013), and Fire Levy Fund (\$1,632 in 2012 and \$847 in 2013).

- Tax reparation payments received from the City of Bryan were recorded as "Miscellaneous" revenue instead of "Intergovernmental" revenue in the General Fund (\$40,489 in 2012 and \$33,950 in 2013), Road and Bridge Fund (\$56,691 in 2012 and \$47,534 in 2013), and Fire Levy Fund (\$13,415 in 2012 and \$13,375 in 2013).
- In 2012, charges for services revenue of \$1,330 received for mowing services in the Road and Bridge Fund was recorded as "Intergovernmental" revenue instead of "Charges for Services" revenue.

Sound financial reporting is the responsibility of the financial officer and the governing board and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. To ensure the Township's financial statements and notes to the statements are complete and accurate, the Township should adopt policies and procedures, including a final review of the statements and notes by the Fiscal Officer and the audit committee, to identify and correct errors and omissions. In addition, the Fiscal Officer should also review the Township Handbook's chart of accounts to ensure all accounts are being properly posted to the financial statements.

**Officials' Response:**

We did not receive a response from Officials to the findings reported above.



# Dave Yost • Auditor of State

**PULASKI TOWNSHIP**

**WILLIAMS COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
AUGUST 5, 2014**