

**SHARON TOWNSHIP  
FRANKLIN COUNTY, OHIO**

***FINANCIAL STATEMENTS  
(AUDITED)***

FOR THE YEAR ENDED  
DECEMBER 31, 2018



OHIO AUDITOR OF STATE  
KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
IPARepor@ohioauditor.gov  
(800) 282-0370

Board of Trustees  
Sharon Township  
95 E Wilson Bridge Rd  
Worthington, OH 43085

We have reviewed the *Independent Auditor's Report* of Sharon Township, Franklin County, prepared by Julian & Grube, Inc., for the audit period January 1, 2018 through December 31, 2018. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Sharon Township is responsible for compliance with these laws and regulations

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

August 4, 2019

**This page intentionally left blank.**

**SHARON TOWNSHIP  
FRANKLIN COUNTY, OHIO**

TABLE OF CONTENTS

Independent Auditor’s Report .....	1 - 2
Combined Statement of Cash Receipts, Cash Disbursements and Changes in Cash Fund Balances - All Governmental Fund Types For the Year Ended December 31, 2018.....	3
Statement of Cash Receipts, Cash Disbursements and Changes in Cash Fund Balance - Fiduciary Fund Type For the Year Ended December 31, 2018.....	4
Notes to the Financial Statements.....	5 - 11
Independent Auditor’s Report on Internal Controls Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	12 - 13
Summary Schedule of Prior Audit Findings.....	14

**This page intentionally left blank.**



**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report

Sharon Township  
Franklin County  
95 E. Wilson Bridge Road  
Worthington, Ohio 43085

To the Board of Trustees:

***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of Sharon Township, Franklin County, Ohio, as of and for the year ended December 31, 2018.

***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 Sharon 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 Sharon Township's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

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

As described in Note 1 of the financial statements, Sharon 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 (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though Sharon Township does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

***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 Sharon Township as of December 31, 2018, and the respective changes in financial position thereof for the year then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of Sharon Township, Franklin County, Ohio, as of December 31, 2018, for the year 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 April 30, 2019, on our consideration of Sharon 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 Sharon Township's internal control over financial reporting and compliance.



Julian & Grube, Inc.  
April 30, 2019



**SHARON TOWNSHIP  
FRANKLIN COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS  
AND CHANGES IN CASH FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Property and Other Local Taxes . . . . .	\$ 2,977	\$ 1,650,917	\$ 1,653,894
Charges for Services . . . . .	-	110,810	110,810
Licenses, Permits and Fees . . . . .	29,474	-	29,474
Fines and Forfeitures . . . . .	-	8,254	8,254
Intergovernmental . . . . .	99,716	321,775	421,491
Rental Income . . . . .	24,414	-	24,414
Contributions and Donations . . . . .	22,182	316	22,498
Earnings on Investments . . . . .	20,056	-	20,056
Miscellaneous . . . . .	2,362	15,950	18,312
	<u>201,181</u>	<u>2,108,022</u>	<u>2,309,203</u>
<b>Cash Disbursements:</b>			
Current:			
General Government . . . . .	271,870	-	271,870
Public Safety . . . . .	-	1,127,305	1,127,305
Public Works . . . . .	-	363,775	363,775
Health . . . . .	-	494,751	494,751
Capital Outlay . . . . .	10,778	176,908	187,686
	<u>282,648</u>	<u>2,162,739</u>	<u>2,445,387</u>
Total Cash Disbursements . . . . .	<u>282,648</u>	<u>2,162,739</u>	<u>2,445,387</u>
Total Receipts Over (Under) Disbursements . . . . .	<u>(81,467)</u>	<u>(54,717)</u>	<u>(136,184)</u>
<b>Other Financing Sources (Uses):</b>			
Other Financing Uses . . . . .	(15,573)	-	(15,573)
Sale of Assets . . . . .	8,404	-	8,404
Advances In . . . . .	24,000	10,000	34,000
Advances (Out) . . . . .	(10,000)	(24,000)	(34,000)
	<u>6,831</u>	<u>(14,000)</u>	<u>(7,169)</u>
Total Other Financing Sources (Uses) . . . . .	<u>6,831</u>	<u>(14,000)</u>	<u>(7,169)</u>
Net Change in Fund Cash Balances . . . . .	(74,636)	(68,717)	(143,353)
Fund Cash Balances, January 1 . . . . .	<u>200,632</u>	<u>870,564</u>	<u>1,071,196</u>
<b>Fund Cash Balances, December 31:</b>			
Restricted . . . . .	-	801,847	801,847
Assigned . . . . .	150,398	-	150,398
Unassigned . . . . .	(24,402)	-	(24,402)
<b>Total Fund Cash Balances, December 31.</b> . . . . .	<u>\$ 125,996</u>	<u>\$ 801,847</u>	<u>\$ 927,843</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**SHARON TOWNSHIP  
FRANKLIN COUNTY, OHIO**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS  
AND CHANGES IN CASH FUND BALANCE  
FIDUCIARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2018

	<b>Fiduciary Fund Type</b>
	<b>Agency</b>
<b>Non-Operating Cash Receipts/(Disbursements):</b>	
Miscellaneous . . . . .	\$ 11,300
Other Non-Operating Disbursements . . . . .	(10,529)
	771
Fund Cash Balance, January 1 . . . . .	4,802
<b>Fund Cash Balance, December 31 . . . . .</b>	<b>\$ 5,573</b>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**SHARON TOWNSHIP  
FRANKLIN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Sharon Township, Franklin County, Ohio 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 police services.

The Township contracts with the City of Worthington to provide fire and ambulance 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 permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

**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.

Investments in money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

**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.

**SHARON TOWNSHIP  
FRANKLIN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**2. Special Revenue Funds**

These 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:

*Road District 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.

*Police District Fund* - This fund receives property tax money and other intergovernmental money for providing security of persons and property for township residents.

*Cemetery Fund* - This fund receives property tax money for maintaining and repairing the cemetery.

**3. Fiduciary Fund**

Fiduciary funds include one agency fund. Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Township disburses these funds as directed by the individual, organization or other government. The Township's agency fund accounts for an employee flexible spending plan.

**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 object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered 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 approve estimated resources.

**3. Encumbrances**

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

A summary of 2018 budgetary activity appears in Note 3.

**SHARON TOWNSHIP  
FRANKLIN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**F. Fund Balance**

In accordance with Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", the Township classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources.

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

**1. Nonspendable**

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

**2. Restricted**

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

**3. Committed**

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

**4. Assigned**

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

**5. Unassigned**

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

The Township applies restricted resources first when disbursements 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 disbursements are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**SHARON TOWNSHIP  
FRANKLIN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**G. Property, Plant and Equipment**

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

**H. Accumulated Leave**

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.

**NOTE 2 - EQUITY IN POOLED DEPOSITS AND INVESTMENTS**

The Township maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31, 2018, was as follows:

	<u>2018</u>
Demand deposits	\$ <u>782,705</u>
Investments:	
STAR Ohio	48,734
Money Market Mutual Funds	<u>101,977</u>
Total investments	<u>150,711</u>
Total deposits and investments	\$ <u><u>933,416</u></u>

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

**Investments:** A financial institution's trust department holds the Township's money market mutual funds in book entry form in the Township's name. Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**SHARON TOWNSHIP  
FRANKLIN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

**NOTE 3 - BUDGETARY ACTIVITY**

Budgetary activity for the year ending December 31, 2018 follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 107,014	\$ 233,585	\$ 126,571
Special Revenue	<u>2,167,490</u>	<u>2,118,023</u>	<u>(49,467)</u>
Total	<u>\$ 2,274,504</u>	<u>\$ 2,351,608</u>	<u>\$ 77,104</u>

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 308,863	\$ 308,221	\$ 642
Special Revenue	<u>2,733,110</u>	<u>2,186,739</u>	<u>546,371</u>
Total	<u>\$ 3,041,973</u>	<u>\$ 2,494,960</u>	<u>\$ 547,013</u>

**NOTE 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.

**NOTE 5 - DEFINED BENEFIT PENSION PLAN**

The Township’s elected officials and other employees belong to the Ohio Public Employees Retirement System (OPERS) of Ohio. OPERS is a cost-sharing, multi-employer plan. The Ohio Revised Code prescribes this plans’ benefits, which includes postemployment healthcare, and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2018, Law Enforcement participants contributed 13% of their wages. For 2018, the Township contributed to OPERS an amount equal to 18.10% of full-time law enforcer’s wages. For 2018, other OPERS members contributed 10% of their gross salaries, and the Township contributed an amount equal to 14% of participants’ gross salaries.

**SHARON TOWNSHIP  
FRANKLIN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

**NOTE 6 - POSTEMPLOYMENT BENEFITS**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2018. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2018.

**NOTE 7 - RISK MANAGEMENT**

The Township is exposed to various risks of property and casualty losses, and injuries to employees. The Township maintains commercial insurance for property and casualty losses, and insures against injuries to employees through the Ohio Bureau of Worker's Compensation. The Township contracts with Lauterbach & Eilber, Inc. for property and casualty coverage. The Township paid \$30,688 for coverage during 2018. Claims have not exceeded this coverage in the past three years and there has been no significant reduction in coverage from the prior year.

**NOTE 8 - JOINT VENTURE**

Joint Venture

The Township participates in a joint venture with the City of Worthington pertaining to Union Cemeteries. The joint venture was formed for the purpose of operating the union cemeteries for the citizens of the City and Township. The Union Cemeteries is governed by a Board of Trustees consisting of 3 members, 1 appointed by Sharon Township and two appointed by the City of Worthington. The funding for the operations of the Union Cemeteries is from property taxes, with the remainder of the budget being financed by the City and Township. There is no explicit and measurable equity interest in the Union Cemeteries. The Township has an ongoing financial responsibility because the continued existence of the joint venture depends on the Township contribution, which totaled \$494,751 in 2018. The joint venture is not accumulating significant resources or experiencing fiscal stress which would cause an additional financial benefit or burden on the Township. The financial statements of the Walnut Grove and Flint Union Cemeteries can be obtained by writing Elaine Russell, Union Cemeteries Clerk, at 5561 Milton Avenue, Worthington, Ohio 43085.

The following is a summary of the Sharon Township share of the financial information for the joint venture for the year ended December 31, 2018, prepared on the basis of cash receipts and disbursements:

	<u>2018</u>
Operating Revenues	\$ 485,650
Operating Expenditures	<u>494,751</u>
Excess of Operating Revenues Over Expenditures	(9,101)
Advances in and not repaid	10,000
Fund Balance at Beginning of Year	<u>5,070</u>
Fund Balance at End of Year	<u>\$ 5,969</u>



**SHARON TOWNSHIP  
FRANKLIN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

**NOTE 9 - INTERFUND BALANCES**

Outstanding advances at December 31, 2018, consisted of \$131,000 advanced from the general fund to various special revenue funds to provide working capital for operations.



**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

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

Sharon Township  
Franklin County  
95 E. Wilson Bridge Road  
Worthington, Ohio 43085

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts and disbursements by fund type of Sharon Township, Franklin County, Ohio, as of and for the year ended December 31, 2018 and the related notes to the financial statements, and have issued our report thereon dated April 30, 2019, wherein we noted the Sharon 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 Sharon Township's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of Sharon Township's internal control. Accordingly, we have not opined on it.

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 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 Sharon 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

***Compliance and Other Matters***

As part of reasonably assuring whether Sharon 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 Sharon Township's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering Sharon Township's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.  
April 30, 2019

**SHARON TOWNSHIP  
FRANKLIN COUNTY, OHIO**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2018**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Status</u>	<u>Additional Information</u>
2017-001	<u>Significant Deficiency/Noncompliance - Financial Statement Presentation -</u> The Township improperly adjusted fund balances resulting in an increase to the General Fund and a decrease to the Special Revenue Funds fund balance.	Corrective Action Taken and Finding is Fully Corrected.	N/A

# OHIO AUDITOR OF STATE KEITH FABER



**SHARON TOWNSHIP**

**FRANKLIN 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  
SEPTEMBER 17, 2019**