



OHIO AUDITOR OF STATE
KEITH FABER



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Sunfish Township
Pike County
Piketon, Ohio 45661

We have completed certain procedures in accordance with Ohio Rev. Code Section 117.01(G) to the accounting records and related documents of the Sunfish Township, Pike County (the Township) for the years ended December 31, 2019 and 2018.

Our procedures were designed solely to satisfy the audit requirements of Ohio Rev. Code Section 117.11(A). Because our procedures were not designed to opine on the Township's financial statements, we did not follow *generally accepted auditing standards*. We do not provide any assurance on the Township's financial statements, transactions or balances for the years ended December 31, 2019 and 2018.

The Township's management is responsible for preparing and maintaining its accounting records and related documents. Our responsibility under Ohio Rev. Code Section 117.11(A) is to examine, analyze and inspect these records and documents.

Based on the results of our procedures, we found the following significant compliance or accounting issues to report.

Current Year Observations

1. We examined the bank reconciliation prepared as of December 31, 2019. It included an unexplained reconciling item of \$154, which results in fund balances exceeding actual available cash by this amount. The reconciling item was noted as payments not on UAN. This variance of \$154 had been on the books since August of 2018. At January 2018 this variance was \$146. These payments should be included on UAN.

Reconciling cash is a critical control in assuring all transactions are posted accurately and in the proper accounting period. Unidentified differences result in inaccurate fund cash balance information, and conceivably could cause deficit spending. The fiscal officer should review transactions recorded since the last reconciliation and correct the error.

Also, the Township's small size requires governing board involvement with critical accounting processes (such as bank reconciliations) to compensate for the inability to segregate these duties. The absence of these reviews may be a material weakness in internal accounting control, resulting in inaccurate cash balances, or even undetected theft. The prior audit did not report this deficiency.

2. We noted USDA debt proceeds of \$39,000 and USDA grant revenues were recorded as other financing sources instead of loan proceeds and intergovernmental receipts in 2018, respectively. Unrecorded debt proceeds and bond counsel fees of \$2,000 were also noted. This resulted in a total of \$41,000 debt proceeds.

Principal and Interest expenses in the Gas Tax fund were understated by a total of \$6,902.62 in 2019, and \$6,492.90 in 2018. These expenses were incorrectly recorded as other expenses resulting in an overstatement of this line item in the Gas Tax fund in the amount of \$6,902.69 and \$6,492.90 in 2019 and 2018, respectively. We recommend that all debt proceeds, principal, and interest payments be correctly recorded in the Township's financial statements.

3. We noted several intergovernmental receipts were recorded as other financing sources in the Special Revenue funds in 2018. This was corrected in 2019.
4. Notes to the Financial Statements were filed with the financial statements in the HINKLE System as required. However, these notes did not disclose the debt held by the Township.
5. The Township did not establish the required public records or records retention policies. The Township also did not provide evidence that their elected officials or their designees attended the required public records training.

Current Status of Matters Reported in the Prior Engagement

1. The prior audit for the years ended December 31, 2017 and 2016 included a material weakness due to misclassification of homestead and rollback receipts. As noted in Item 3 above, receipts were not recorded properly in 2018, but was corrected in 2019.
2. The prior audit for the years ended December 31, 2017 and 2016 included a material weakness noncompliance for Ohio Revised Code Section 5705.41(D). No issues were noted in the current audit.
3. The prior audit for the year ended December 31, 2017 and 2016 included noncompliance with Ohio Revised Code Section 5705.39 for total appropriations exceeding estimated resources in 2016. During the current audit, appropriations did not exceed estimated resources.
4. The prior audit for the year ended December 31, 2017 and 2016 included a material weakness in regards to the financial statements and notes to the financial statements. As noted in Item 4 above, notes were included with the HINKLE filing, but the debt footnote was omitted.



Keith Faber
Auditor of State

Columbus, Ohio

April 27, 2020

OHIO AUDITOR OF STATE KEITH FABER



SUNFISH TOWNSHIP

PIKE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MAY 12, 2020**