



Dave Yost • Auditor of State



**SUGAR CREEK TOWNSHIP  
ALLEN COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Sugar Creek Township  
Allen County  
3255 West State Rd  
Elida, Ohio 45807

To the Board of Trustees:

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

We have audited the accompanying financial statements and related notes of Sugar Creek Township, Allen County, (the Township) as of and for the years ended December 31, 2013 and 2012.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions 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.

### ***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 Sugar Creek Township, Allen County as of December 31, 2013 and 2012, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(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 21, 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

April 21, 2014

**SUGAR CREEK TOWNSHIP  
ALLEN COUNTY**

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

|   | <u>General</u>  | <u>Special<br/>Revenue</u> | <u>Capital<br/>Projects</u> | <u>Totals<br/>(Memorandum<br/>Only)</u> |
|---|-----------------|----------------------------|-----------------------------|---|
| <b>Cash Receipts:</b>                         |                 |                            |                             |   |
| Property and Other Local Taxes                | \$83,927        | \$35,011                   |                             | \$118,938                               |
| Charges for Services                          | 5,792           |                            |                             | 5,792                                   |
| Licenses, Permits and Fees                    | 2,297           | 600                        |                             | 2,897                                   |
| Intergovernmental                             | 111,817         | 100,291                    | \$102,396                   | 314,504                                 |
| Earnings on Investments                       | 74              | 12                         |                             | 86                                      |
| Miscellaneous                                 | 4,281           | 3,600                      |                             | 7,881                                   |
| Total Cash Receipts                           | <u>208,188</u>  | <u>139,514</u>             | <u>102,396</u>              | <u>450,098</u>                          |
| <b>Cash Disbursements:</b>                    |                 |                            |                             |   |
| <b>Current:</b>                               |                 |                            |                             |   |
| General Government                            | 126,749         |                            |                             | 126,749                                 |
| Public Safety                                 | 1,449           | 38,938                     |                             | 40,387                                  |
| Public Works                                  | 3,500           | 115,125                    |                             | 118,625                                 |
| Health  | 1,500           | 3,495                      |                             | 4,995                                   |
| Conservation-Recreation                       | 2,000           |                            |                             | 2,000                                   |
| Capital Outlay                                | 13,000          | 1,500                      | 102,396                     | 116,896                                 |
| Total Cash Disbursements                      | <u>148,198</u>  | <u>159,058</u>             | <u>102,396</u>              | <u>409,652</u>                          |
| Excess of Receipts Over (Under) Disbursements | <u>59,990</u>   | <u>(19,544)</u>            |                             | <u>40,446</u>                           |
| Net Change in Fund Cash Balances              | 59,990          | (19,544)                   |                             | 40,446                                  |
| Fund Cash Balances, January 1                 | <u>37,703</u>   | <u>92,139</u>              | <u>53</u>                   | <u>129,895</u>                          |
| <b>Fund Cash Balances, December 31:</b>       |                 |                            |                             |   |
| Restricted                                    |                 | 70,479                     | 53                          | 70,532                                  |
| Committed                                     |                 | 5,895                      |                             | 5,895                                   |
| Unassigned (Deficit)                          | 97,693          | (3,779)                    |                             | 93,914                                  |
| Fund Cash Balances, December 31               | <u>\$97,693</u> | <u>\$72,595</u>            | <u>\$53</u>                 | <u>\$170,341</u>                        |

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

**SUGAR CREEK TOWNSHIP  
ALLEN COUNTY**

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

|   | <u>General</u>  | <u>Special<br/>Revenue</u> | <u>Capital<br/>Projects</u> | <u>Totals<br/>(Memorandum<br/>Only)</u> |
|---|-----------------|----------------------------|-----------------------------|---|
| <b>Cash Receipts:</b>                         |                 |                            |                             |   |
| Property and Other Local Taxes                | \$37,020        | \$51,412                   |                             | \$88,432                                |
| Charges for Services                          | 133             |                            |                             | 133                                     |
| Licenses, Permits and Fees                    | 735             | 2,790                      |                             | 3,525                                   |
| Intergovernmental                             | 68,165          | 102,978                    |                             | 171,143                                 |
| Earnings on Investments                       | 40              | 15                         |                             | 55                                      |
| Miscellaneous                                 | 17,541          | 1,200                      |                             | 18,741                                  |
| Total Cash Receipts                           | <u>123,634</u>  | <u>158,395</u>             |                             | <u>282,029</u>                          |
| <b>Cash Disbursements:</b>                    |                 |                            |                             |   |
| <b>Current:</b>                               |                 |                            |                             |   |
| General Government                            | 108,218         |                            |                             | 108,218                                 |
| Public Safety                                 | 1,500           | 39,329                     |                             | 40,829                                  |
| Public Works                                  | 2,919           | 111,638                    |                             | 114,557                                 |
| Health  | 1,147           | 1,179                      |                             | 2,326                                   |
| Conservation-Recreation                       | 1,599           |                            |                             | 1,599                                   |
| Capital Outlay                                | 800             | 1,586                      |                             | 2,386                                   |
| Total Cash Disbursements                      | <u>116,183</u>  | <u>153,732</u>             |                             | <u>269,915</u>                          |
| Excess of Receipts Over (Under) Disbursements | <u>7,451</u>    | <u>4,663</u>               |                             | <u>12,114</u>                           |
| Fund Cash Balances, January 1                 | <u>30,252</u>   | <u>87,476</u>              | <u>\$53</u>                 | <u>117,781</u>                          |
| <b>Fund Cash Balances, December 31:</b>       |                 |                            |                             |   |
| Restricted                                    |                 | 87,216                     | 53                          | 87,269                                  |
| Committed                                     |                 | 6,617                      |                             | 6,617                                   |
| Unassigned (Deficit)                          | 37,703          | (1,694)                    |                             | 36,009                                  |
| Fund Cash Balances, December 31               | <u>\$37,703</u> | <u>\$92,139</u>            | <u>\$53</u>                 | <u>\$129,895</u>                        |

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



**SUGAR CREEK TOWNSHIP  
ALLEN 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 the Sugar Creek Township, Allen 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 contracts with American Township and Monroe Townships to provide fire services 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 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 values certificates of deposit 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.

**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:

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

**SUGAR CREEK TOWNSHIP  
ALLEN COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**Fire District Fund** – This fund receives property tax money for fire protection and ambulance services within the Township.

**3. Capital Project Funds**

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant capital project funds:

**Issue I Fund** - The Township received a grant from the State of Ohio to replace a culvert on Any Avenue.

**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 re-appropriated 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. Non-spendable**

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

**SUGAR CREEK TOWNSHIP  
ALLEN COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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, 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 investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

**SUGAR CREEK TOWNSHIP  
ALLEN COUNTY**

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

**2. EQUITY IN POOLED DEPOSITS AND INVESTMENTS (Continued)**

|                         | <b>2013</b> | <b>2012</b> |
|-------------------------|-------------|-------------|
| Demand deposits         | \$170,341   | \$117,646   |
| Certificates of deposit |             | 12,249      |
| Total deposits          | \$170,341   | \$129,895   |

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

**3. Budgetary Activity**

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

**2013 Budgeted vs. Actual Receipts**

| Fund Type        | Budgeted<br>Receipts | Actual<br>Receipts | Variance |
|------------------|----------------------|--------------------|----------|
| General          | \$112,041            | \$208,188          | \$96,147 |
| Special Revenue  | 137,484              | 139,514            | 2,030    |
| Capital Projects | 156,248              | 102,396            | (53,852) |
| Total            | \$405,773            | \$450,098          | \$44,325 |

**2013 Budgeted vs. Actual Budgetary Basis Expenditures**

| Fund Type        | Appropriation<br>Authority | Budgetary<br>Expenditures | Variance  |
|------------------|----------------------------|---------------------------|-----------|
| General          | \$150,707                  | \$148,198                 | \$2,509   |
| Special Revenue  | 277,949                    | 159,058                   | 118,891   |
| Capital Projects | 156,248                    | 102,396                   | 53,852    |
| Total            | \$584,904                  | \$409,652                 | \$175,252 |

**2012 Budgeted vs. Actual Receipts**

| Fund Type       | Budgeted<br>Receipts | Actual<br>Receipts | Variance |
|-----------------|----------------------|--------------------|----------|
| General         | \$104,517            | \$123,634          | \$19,117 |
| Special Revenue | 165,112              | 158,395            | (6,717)  |
| Total           | \$269,629            | \$282,029          | \$12,400 |

**2012 Budgeted vs. Actual Budgetary Basis Expenditures**

| Fund Type       | Appropriation<br>Authority | Budgetary<br>Expenditures | Variance  |
|-----------------|----------------------------|---------------------------|-----------|
| General         | \$133,472                  | \$116,183                 | \$17,289  |
| Special Revenue | 253,885                    | 153,732                   | 100,153   |
| Total           | \$387,357                  | \$269,915                 | \$117,442 |

**SUGAR CREEK TOWNSHIP  
ALLEN 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 SYSTEMS**

Employees belong to the Ohio Public Employees Retirement System (OPERS). The Ohio Revised Code prescribes these plans' 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**

**Commercial Insurance**

The Township has obtained commercial insurance for the following risks:

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

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# 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*

Sugar Creek Township  
Allen County  
3255 West State Rd  
Elida, Ohio 45807

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 Sugar Creek Township, Allen County, (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 April 21, 2014 wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 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 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 internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Township's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2013-001 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, 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 initial "D".

**Dave Yost**  
Auditor of State

Columbus, Ohio

April 21, 2014



**SUGAR CREEK TOWNSHIP  
ALLEN COUNTY**

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

|  |
|--|
| <b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS<br/>REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b> |
|--|

**FINDING NUMBER 2013-001**

**Material Weakness - Classification of Revenues and Expenditures**

The Township should have procedures in place to provide that the annual financial statements are completed and accurate. The following classification errors were identified in the financial statements:

- In 2012 Homestead and Rollback were posted as property tax revenues in the General, Road and Bridge, and Fire District Fund in the amounts of \$6,150; \$1,809; and \$6,528 respectively, instead of intergovernmental revenue;
- In 2013 Homestead and Rollback were posted as property tax revenues in the General, Road and Bridge, and Fire District Fund in the amounts of \$10,085; \$1,925; and \$3,580 respectively, instead of intergovernmental revenue;
- In 2012 Excess IRP was posted as property tax revenue in the General fund in the amount of \$356 instead of intergovernmental revenue in the Motor Vehicle License Tax Fund;
- In 2012 one property tax settlement was posted as intergovernmental revenue in the Motor Vehicle License Tax fund in the amount of \$4,605 instead of property tax in the Road and Bridge Fund;
- In 2013 one receipt of Homestead and Rollback for the current levy was posted as intergovernmental in the Fire Fund in the amount of \$3,508 instead of intergovernmental revenue in the General Fund;
- In 2013 Issue I Road Grant program receipts and expenditures made by the State on behalf of the Township were posted as intergovernmental revenue and public works expenditures in the amount of \$125,000 instead of intergovernmental revenue and capital outlay expenditures in the correct amount of \$102,396;
- In 2013 one receipt for Local government funds was posted to the General fund twice in the amount of \$1,115 to intergovernmental revenue;
- In 2013 one receipt for Tax funds was posted to the General Fund twice in the amount of \$54 to property and other local taxes;
- In 2013 one receipt for Gas Tax was posted to the Gasoline Tax Fund as \$3,583 instead of the correct amount of \$4,752;
- In 2012 insurance claim receipts were posted as charges for service in the General Fund in the amount of \$15,167 instead of miscellaneous revenue;
- In 2013 the redemption of a certificate of deposit was posted as General Fund Miscellaneous and a fund balances adjustment in the amount of \$12,278; and
- In 2012 zoning inspector wages were posted from Gasoline Tax public works in the amount of \$606 instead of General Fund general government.

The failure to properly post receipts and disbursements resulted in a material misstatement of the reported revenue and expenditures line accounts and the fund balances. The accompanying financial statements and Township records have been adjusted to include all the adjustments and reclassifications noted above.

**FINDING NUMBER 2013-001  
(Continued)**

The Township should utilize the UAN Chart of Accounts and the Township Handbook to provide guidance on the recording of revenue and disbursements to their respective funds. In addition, the Trustees should implement review and monitoring procedures to determine that all revenues and disbursements are recorded in the correct fund and classification.

**Auditee Response:**

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

**SUGAR CREEK TOWNSHIP  
ALLEN COUNTY**

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

| Finding Number | Finding Summary                                     | Fully Corrected? | Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b> |
|----------------|---|------------------|--|
| 2011-001       | Material Weakness – Accuracy of Financial Reporting | No               | Not Corrected, See Finding 2013-001  |
| 2011-002       | Ohio Rev. Code 5705.10 (D) – Recording of receipts  | Yes              |  |

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# Dave Yost • Auditor of State

**SUGAR CREEK TOWNSHIP**

**ALLEN 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  
JUNE 5, 2014**