



Dave Yost • Auditor of State



**SHORT CREEK TOWNSHIP  
HARRISON COUNTY  
DECEMBER 31, 2017 AND 2016**

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Short Creek Township  
Harrison County  
838 West Main Street  
Adena, Ohio 43901

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 Short Creek Township, Harrison County, Ohio (the Township), as of and for the years ended December 31, 2017 and 2016.

### ***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 § 117.38 and Ohio Administrative Code § 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 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 2 of the financial statements, the Township prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code § 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 the 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 § 117.38 and Ohio Administrative Code § 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 the Township as of December 31, 2017 and 2016, and the respective 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 cash balances, receipts and disbursements by fund type, and related notes of Short Creek Township, Harrison County, Ohio, as of December 31, 2017 and 2016, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit, described in Note 2.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2018, 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

June 6, 2018

**SHORT CREEK TOWNSHIP  
HARRISON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	General	Special Revenue	Permanent	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$15,165	\$100,787	\$0	\$115,952
Licenses, Permits and Fees	0	1,200	0	1,200
Intergovernmental	22,150	116,032	0	138,182
Earnings on Investments	30	9	1	40
Miscellaneous	13,177	600	0	13,777
<i>Total Cash Receipts</i>	<u>50,522</u>	<u>218,628</u>	<u>1</u>	<u>269,151</u>
<b>Cash Disbursements</b>				
Current:				
General Government	36,093	5,884	0	41,977
Public Safety	0	63,125	0	63,125
Public Works	7,063	149,661	0	156,724
Health	4,132	1,138	0	5,270
Debt Service:				
Principal Retirement	0	2,000	0	2,000
Interest and Fiscal Charges	0	264	0	264
<i>Total Cash Disbursements</i>	<u>47,288</u>	<u>222,072</u>	<u>0</u>	<u>269,360</u>
<i>Excess of Cash Receipts Over (Under) Cash Disbursements</i>	<u>3,234</u>	<u>(3,444)</u>	<u>1</u>	<u>(209)</u>
<b>Other Financing Receipts (Disbursements)</b>				
Transfers In	0	2,021	0	2,021
Transfers Out	(2,021)	0	0	(2,021)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(2,021)</u>	<u>2,021</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	1,213	(1,423)	1	(209)
<i>Fund Cash Balances, January 1</i>	<u>30,597</u>	<u>35,085</u>	<u>1,773</u>	<u>67,455</u>
<b>Fund Cash Balances, December 31</b>				
Restricted	0	17,004	1,774	18,778
Committed	0	16,658	0	16,658
Unassigned	31,810	0	0	31,810
<i>Fund Cash Balances, December 31</i>	<u>\$31,810</u>	<u>\$33,662</u>	<u>\$1,774</u>	<u>\$67,246</u>

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

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**Short Creek Township**  
*Harrison County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Short Creek Township, Harrison 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 Adena, Cadiz, Harrisville and New Athens fire departments to provide fire services.

***Public Entity Risk Pool and Related Organization***

The Township participates in a public entity risk pool and is associated with a related organization. Notes 7 and 12 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.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types.

***Fund Accounting***

The Township uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Township are presented below:

***General Fund*** The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

***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:

***Gas Tax Fund*** The gas tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

***Road and Bridge Fund*** The road and bridge fund receives property tax money for constructing, maintaining and repairing Township roads and bridges.

***Fire District Fund*** The fire district fund receives property tax money to provide fire protection to Township residents.

**Short Creek Township**  
*Harrison County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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**Note 2 – Summary of Significant Accounting Policies (continued)**

***Permanent Funds*** These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Township had the following significant permanent fund:

***Cemetery Endowment Fund*** – The cemetery endowment fund accounts for and reports interest earned on the corpus from a trust agreement restricted for the general maintenance and upkeep of the Township's cemetery.

***Basis of Accounting***

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.

***Budgetary Process***

The Ohio Revised Code requires that each fund be budgeted annually.

***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.

***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.

***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 2017 budgetary activity appears in Note 4.

***Capital Assets***

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

**Short Creek Township**  
*Harrison County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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**Note 2 – Summary of Significant Accounting Policies (continued)**

***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.

***Fund Balance***

Fund balance is divided into three 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:

***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.

***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.

***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.

**Note 3 – Compliance**

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Fire District Fund by \$13,570 for the year ended December 31, 2017.

**Short Creek Township**  
*Harrison County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

**Note 4 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2017 follows:

2017 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$39,151	\$50,522	\$11,371
Special Revenue	200,557	220,649	20,092
Permanent	0	1	1
Total	\$239,708	\$271,172	\$31,464

2017 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$61,044	\$49,309	\$11,735
Special Revenue	235,848	222,072	13,776
Permanent	1,773	0	1,773
Total	\$298,665	\$271,381	\$27,284

**Note 5 – Deposits**

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

	2017
Demand deposits	\$67,246

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation.

**Note 6 – Property Taxes**

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.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

**Short Creek Township**  
*Harrison County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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**Note 7 – Risk Management**

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, 2017, 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, 2016.

	<b>2017</b>
Assets	\$40,010,732
Liabilities	8,675,465
Net Position	\$31,335,267

At December 31, 2017 the liabilities above include approximately \$8.0 million of estimated incurred claims payable. The assets above also include approximately \$6.9 million of unpaid claims to be billed to approximately 1,016 member governments in the future, as of December 31, 2017. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2017, the Township’s share of these unpaid claims collectible in future years is approximately \$3,000.

**Short Creek Township**  
*Harrison County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

**Note 7 – Risk Management (continued)**

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.

<b><u>2017 Contributions to OTARMA</u></b>
\$5,933

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.

**Note 8 – Defined Benefit Pension Plan**

***Ohio Public Employees Retirement System***

All employees 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. OPERS members contributed 10 percent of their gross salaries and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2017.

**Note 9 – Postemployment Benefits**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, 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 1.0 percent during calendar year 2017.

**Note 10 – Debt**

Debt outstanding at December 31, 2017, was as follows:

U.S. Department of Agriculture (USDA)	<u>Principal</u>	<u>Interest Rate</u>
General Obligation Bonds	<u>\$4,200</u>	4.25%

The Township issued USDA general obligation bonds to finance the purchase of a backhoe for Township road maintenance. The Township's taxing authority collateralized the bonds.

**Short Creek Township**  
*Harrison County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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**Note 10 – Debt (continued)**

***Amortization***

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

Year Ending December 31:	USDA General Obligation Bonds
2018	2,179
2019	2,294
Total	<u>\$4,473</u>

**Note 11 – Contingent Liabilities**

Amounts grantor agencies pay to the township are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**Note 12 – Related Organizations**

The Township has an agreement with the Georgetown Community Building Association regarding the Georgetown Community Hall. While the Township is responsible for appointing and removing Association Board Members, the Township is not financially accountable for the Association.

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**SHORT CREEK TOWNSHIP  
HARRISON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	General	Special Revenue	Permanent	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$16,186	\$103,723	\$0	\$119,909
Licenses, Permits and Fees	0	1,655	0	1,655
Intergovernmental	19,628	157,703	0	177,331
Earnings on Investments	25	8	1	34
Miscellaneous	1,800	4,031	0	5,831
<i>Total Cash Receipts</i>	<u>37,639</u>	<u>267,120</u>	<u>1</u>	<u>304,760</u>
<b>Cash Disbursements</b>				
Current:				
General Government	26,528	13,449	0	39,977
Public Safety	0	95,359	0	95,359
Public Works	1,275	136,672	0	137,947
Health	2,163	1,650	0	3,813
Debt Service:				
Principal Retirement	0	1,900	0	1,900
Interest and Fiscal Charges	0	344	0	344
<i>Total Cash Disbursements</i>	<u>29,966</u>	<u>249,374</u>	<u>0</u>	<u>279,340</u>
<i>Excess of Cash Receipts Over Cash Disbursements</i>	<u>7,673</u>	<u>17,746</u>	<u>1</u>	<u>25,420</u>
<i>Fund Cash Balances, January 1</i>	<u>22,924</u>	<u>17,339</u>	<u>1,772</u>	<u>42,035</u>
<b>Fund Cash Balances, December 31</b>				
Restricted	0	27,548	1,773	29,321
Committed	0	7,537	0	7,537
Assigned	30,597	0	0	30,597
<i>Fund Cash Balances, December 31</i>	<u>\$30,597</u>	<u>\$35,085</u>	<u>\$1,773</u>	<u>\$67,455</u>

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

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**Short Creek Township**  
*Harrison County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

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**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Short Creek Township, Harrison 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 Adena, Cadiz, Harrisville and New Athens fire departments to provide fire services.

***Public Entity Risk Pool and Related Organization***

The Township participates in a public entity risk pool and is associated with a related organization. Notes 7 and 12 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.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types.

***Fund Accounting***

The Township uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Township are presented below:

***General Fund*** The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

***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:

***Gas Tax Fund*** The gas tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

***Road and Bridge Fund*** The road and bridge fund receives property tax money for constructing, maintaining and repairing Township roads and bridges.

***Fire District Fund*** The fire district fund receives property tax money to provide fire protection to Township residents.

**Short Creek Township**  
*Harrison County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

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**Note 2 – Summary of Significant Accounting Policies (continued)**

***Permanent Funds*** These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Township had the following significant permanent fund:

***Cemetery Endowment Fund*** – The cemetery endowment fund accounts for and reports interest earned on the corpus from a trust agreement restricted for the general maintenance and upkeep of the Township's cemetery.

***Basis of Accounting***

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.

***Budgetary Process***

The Ohio Revised Code requires that each fund be budgeted annually.

***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.

***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.

***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 2016 budgetary activity appears in Note 4.

***Capital Assets***

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

**Short Creek Township**  
*Harrison County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

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**Note 2 – Summary of Significant Accounting Policies (continued)**

***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.

***Fund Balance***

Fund balance is divided into three 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:

***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.

***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.

***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.

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.

**Note 3 – Compliance**

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the General Fund by \$29,966 and all of the Special Revenue Funds by a total of \$249,374 for the year ended December 31, 2016. This occurred due to the Trustees not approving permanent appropriations in 2016, also contrary to Ohio law.

**Short Creek Township**  
*Harrison County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

**Note 4 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2016 follows:

2016 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$25,853	\$37,639	\$11,786
Special Revenue	228,331	267,120	38,789
Permanent	0	1	1
Total	\$254,184	\$304,760	\$50,576

2016 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$29,966	(\$29,966)
Special Revenue	0	249,374	(249,374)
Total	\$0	\$279,340	(\$279,340)

**Note 5 – Deposits**

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

	2016
Demand deposits	\$67,455

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation.

**Note 6 – Property Taxes**

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.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

**Short Creek Township**  
*Harrison County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

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**Note 7 – Risk Management**

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, 2016, 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, 2016.

	<b>2016</b>
Assets	\$38,473,283
Liabilities	8,244,140
Net Position	\$30,229,143

At December 31, 2016 the liabilities above include approximately \$7.4 million of estimated incurred claims payable. The assets above also include approximately \$6.9 million of unpaid claims to be billed to approximately 1,010 member governments in the future, as of December 31, 2016. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2016, the Township’s share of these unpaid claims collectible in future years is approximately \$3,000.

**Short Creek Township**  
*Harrison County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

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**Note 7 – Risk Management (continued)**

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.

<b><u>2016 Contributions to OTARMA</u></b>
\$5,926

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.

**Note 8 – Defined Benefit Pension Plan**

*Ohio Public Employees Retirement System*

All employees 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. OPERS members contributed 10 percent of their gross salaries and the Township contributed an amount equaling 14 percent of participants’ gross salaries. The Township has paid all contributions required through December 31, 2016.

**Note 9 – Postemployment Benefits**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, 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 2.0 percent during calendar year 2016.

**Note 10 – Debt**

Debt outstanding at December 31, 2016, was as follows:

U.S. Department of Agriculture (USDA)	<u>Principal</u>	<u>Interest Rate</u>
General Obligation Bonds	<u>\$6,200</u>	4.25%

The Township issued USDA general obligation bonds to finance the purchase of a backhoe for Township road maintenance. The Township’s taxing authority collateralized the bonds.



**Short Creek Township**  
*Harrison County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

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**Note 10 – Debt (continued)**

***Amortization***

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

Year Ending December 31:	USDA General Obligation Bonds
2017	\$2,264
2018	2,179
2019	2,294
Total	<u><u>\$6,737</u></u>

**Note 11 – Contingent Liabilities**

Amounts grantor agencies pay to the township are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**Note 12 – Related Organization**

The Township has an agreement with the Georgetown Community Building Association regarding the Georgetown Community Hall. While the Township is responsible for appointing and removing Association Board Members, the Township is not financially accountable.

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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*

Short Creek Township  
Harrison County  
838 West Main Street  
Adena, Ohio 43901

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 Short Creek Township, Harrison County, Ohio (the Township), as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements and have issued our report thereon dated June 6, 2018, wherein we noted the Township followed financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 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 opinions 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 and significant deficiencies.

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. We consider Findings 2017-004 and 2017-005 described in the accompanying Schedule of Findings to be material weaknesses.

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 2017-002 and 2017-003 described in the accompanying Schedule of Findings to be significant deficiencies.

### ***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 instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2017-001 through 2017-003.

### ***Township's Responses to Findings***

The Township's responses to the Findings identified in our audit are described in the accompanying Schedule of Findings. We did not audit the Township's responses and, accordingly, we express no opinion on them.

### ***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.



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

June 6, 2018

**SHORT CREEK TOWNSHIP  
HARRISON COUNTY  
SCHEDULE OF FINDINGS  
DECEMBER 31, 2017 AND 2016**

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

**FINDING NUMBER 2017-001**

**Noncompliance**

Ohio Rev. Code § 5705.38(A) states, in part, that on or about the first day of each fiscal year, the taxing authority of each subdivision or other taxing unit shall pass an appropriation measure, and thereafter during the year it may pass any supplemental appropriation measures as it finds necessary, based on the revised tax budget or the official certificate of estimated resources or amendments of the certificate. If it desires to postpone the passage of the annual appropriation measure until an amended certificate is received based on the actual balances, it may pass a temporary appropriation measure for meeting the ordinary expenses of the taxing unit until no later than the first day of April.

Ohio Rev. Code § 5705.41(B) requires that no subdivision or taxing unit shall make any expenditure of money unless it has been appropriated.

Expenditures exceeded appropriations in the following funds in 2017:

Fund	Approved Appropriations	Actual Expenditures	Variance
Fire District	\$49,555	\$63,125	(\$13,570)

While the Township passed temporary appropriations for 2016, permanent appropriations were not passed by the Board in the minute record. Expenditures exceeded appropriations in the following funds as a result of the Township Trustees not approving an annual appropriation measure in 2016:

Fund	Approved Appropriations	Actual Expenditures	Variance
General	\$0	\$29,966	(\$29,966)
Motor Vehicle License Tax	0	6,792	(6,792)
Gasoline Tax	0	84,621	(84,621)
Road and Bridge	0	60,952	(60,952)
Cemetery	0	1,650	(1,650)
Fire District	0	95,359	(95,359)

The Township should ensure that permanent appropriations are passed by the Board no later than April 1st each year. The Township should also regularly monitor appropriations and expenditures and, if necessary, file amendments with the County Auditor to ensure that expenditures from each fund do not exceed the total appropriations. This will help to reduce the risk of disbursements exceeding appropriations and will add a measure of control over the Township's budgetary process.

**Officials' Response:** Fiscal Officer will work to make sure the Trustees approve the budget and annual appropriations and that such is documented in the minutes.

**SHORT CREEK TOWNSHIP  
HARRISON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2017 AND 2016  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2017-002**

**Noncompliance and Significant Deficiency**

Ohio Rev. Code § 5705.10(D) states, in part, that all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose, shall be paid into a special fund for such purpose. All revenue derived from a source other than the general property tax, for which the law does not prescribe use for a particular purpose shall be paid into the general fund.

During 2017, we noted the Township improperly posted a grave opening/ closing fee of \$550 to Miscellaneous Revenue in the General Fund, rather than Licenses, Permits and Fees revenue in the Cemetery Fund.

This adjustment, to which Township management agrees, has been posted to the Township's accounting records and is reflected in the accompanying financial statements.

In addition to the error listed above, we also identified an additional misstatement in the amount of \$328 that we have brought to the Township's attention. This was a rebate from the Ohio Bureau of Workers' Compensation that was not posted to the funds that originally paid the workers' compensation premium.

The Township did not have control procedures in place to ensure receipts are posted to the correct fund. Not having procedures in place to ensure proper posting of receipts could result in material errors to the financial statements, which may go undetected.

The Fiscal Officer should ensure all fees associated with grave openings and closings are properly posted to the Cemetery Fund. In addition, the Fiscal Officer should allocate Ohio Bureau of Workers' Compensation rebates to the Township funds that incurred the original payment for which the rebate was received.

**Officials' Response:** Fiscal Officer will post payments in the correct funds.

**FINDING NUMBER 2017-003**

**Noncompliance and Significant Deficiency**

Ohio Rev. Code § 5705.10(I) states that money paid into any fund shall be used for the purposes for which such fund is established.

During 2017, the Township charged \$1,253 of cemetery maintenance payroll costs to the Gasoline Tax Fund. These charges should have been posted to the Cemetery Fund or General Fund. The Township also improperly charged \$550 for a grave opening/closing to the General Fund, rather than the Cemetery Fund.

During 2016, the Township charged \$1,697 of cemetery maintenance payroll costs to the Gasoline Tax Fund. These charges should have been posted to the Cemetery Fund or the General Fund.

A review of the Township employee's time sheet revealed additional hours for cemetery related activities other than the hours adjusted for above; however, we were unable to determine the number of additional hours that should have been adjusted due to ambiguity in the timesheet documentation.

**SHORT CREEK TOWNSHIP  
HARRISON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2017 AND 2016  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2017-003  
(Continued)**

**Noncompliance and Significant Deficiency - Ohio Rev. Code § 5705.10(I) (Continued)**

Adjustments, in which management agrees, have been posted to the Township's accounting records and are reflected in the accompanying financial statements.

The Township did not have control procedures in place to ensure employee timesheets provide adequate documentation that the proper funds are charged for salaries.

Not properly reporting financial activity could result in material misstatements occurring and remaining undetected, and increases the risk that management would not be provided an accurate picture of the Township's financial position and operations.

The Township should post all grave opening/ closing expenditures and cemetery maintenance payroll costs to the Cemetery Fund. If the Cemetery Fund lacks the financial resources to cover the costs, then the remaining costs should be charged to the Township's General Fund. In addition, the Township's employee should clearly document the number of hours spent on all cemetery related activities so that the Fiscal Officer can properly allocate payroll costs to the Township funds.

**Officials' Response:** Fiscal Officer will post transactions to the Cemetery Fund and/or General Fund when needed.

**FINDING NUMBER 2017-004**

**Material Weakness**

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; 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 as discussed in AU-C Section 210 paragraphs .A14 & .A16.

The Township should maintain an accounting system and accounting records sufficient to enable the Township to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

The Ohio Township Handbook (revised March 2018) provides suggested account classifications. These accounts classify receipts by fund and source (property taxes or intergovernmental revenue, for example). Using these classifications and the aforementioned accounting records will provide the Township with information required to monitor compliance with the budget, and prepare annual reports in the format required by the Auditor of State.

The Township did not always record receipts into accurate classifications on the financial statements.

**SHORT CREEK TOWNSHIP  
HARRISON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2017 AND 2016  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2017-004  
(Continued)**

**Material Weakness (Continued)**

Also, the Township did not properly classify its December 31, 2017 and 2016 governmental fund cash balances in accordance with Governmental Accounting Standards Board (GASB) *Statement Number 54 - Fund Balance Reporting and Governmental Fund Type Definitions*, effective for fiscal years beginning after June 15, 2010.

The UAN Accounting and General Manual (revised November 2017) provides five suggested fund balance classifications and clarifies the existing governmental fund type definitions. The fund balance classifications relate to constraints placed upon the use of resources reported in governmental funds. The five classifications are nonspendable, restricted, committed, assigned, and unassigned.

We noted the following in 2017:

- 1st and 2nd half homestead and rollback taxes were improperly classified as taxes revenue, rather than intergovernmental revenue in the General, Road and Bridge and Fire District Funds in the amounts of \$1,823, \$5,629 and \$4,864, respectively.
- Lodging excise taxes in the amount of \$1,128 were improperly classified as taxes revenue, rather than intergovernmental revenue in the General Fund.
- The ending fund balance in the Road and Bridge Fund in the amount of \$16,658 was improperly classified as restricted, rather than committed.

We noted the following in 2016:

- 1st and 2nd half homestead and rollback taxes were improperly classified as taxes revenue, rather than intergovernmental revenue in the General, Road and Bridge and Fire District Funds in the amounts of \$1,813, \$5,569 and \$4,835, respectively.
- The ending fund balance in the Road and Bridge Fund in the amount of \$7,537 was improperly classified as restricted, rather than committed.
- The ending fund balance in the General Fund in the amount of \$30,597 was improperly classified as unassigned, rather than assigned due to subsequent year appropriations exceeding estimated receipts.

The reclassifications noted above, with which management agrees, have been made and are reflected in the accompanying financial statements.

In addition, we also identified additional misstatements ranging from \$141 to \$492 in 2017 and \$163 to \$1,560 in 2016 that we have brought to the Township's attention and are not reflected in the accompanying financial statements due to their insignificance.

Not properly reporting financial activity could result in material misstatements occurring and remaining undetected and increases the risk that management would not be provided an accurate picture of the Township's financial position and operations.



**SHORT CREEK TOWNSHIP  
HARRISON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2017 AND 2016  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
--

**FINDING NUMBER 2017-004  
(Continued)**

**Material Weakness (Continued)**

The Township should take the necessary steps to ensure that all receipts and fund balances are properly presented and disclosed in the Township's financial statements. When classifying fund balance in accordance with GASB 54 the Fiscal Officer should refer to Auditor of State Bulletin 2011-004 for guidance.

**Officials' Response:** Fiscal Officer will use the Ohio Township Handbook manual to learn the classifications better so they will be posted to the correct funds.

**FINDING NUMBER 2017-005**

**Material Weakness**

The Township should have internal controls in place to reasonably assure that budgetary accounts are integrated into the financial accounting system. This means designing an accounting system to provide ongoing and timely information on unrealized budgetary receipts and unspent appropriations.

The Fiscal Officer did not properly post budgeted receipts or appropriations, and any amendments made to them, to the accounting system. Variances existed between the certificate of estimated resources and appropriation resolutions to the amounts posted to the accounting system.

The following variances occurred in 2017:

Fund	Estimated Receipts per last Amended Certificate	Estimated Receipts posted to the accounting system	Variance
Gasoline Tax	\$76,025	\$87,507	\$11,482
Road and Bridge	64,328	57,100	(7,228)
Fire District	49,451	60,670	11,219

Fund	Approved Appropriations	Appropriation Amount posted to the accounting system	Variance
General	\$61,044	\$71,358	\$10,314
Fire District	49,555	63,125	13,570

**SHORT CREEK TOWNSHIP  
HARRISON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2017 AND 2016  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2017-005  
(Continued)**

**Material Weakness (Continued)**

The following variances occurred in 2016:

Fund	Estimated Receipts per last Amended Certificate	Estimated Receipts posted to the accounting system	Variance
General	\$25,853	\$39,037	\$13,184
Motor Vehicle License Tax	8,256	9,003	747
Gasoline Tax	87,504	93,399	5,895
Road and Bridge	47,589	71,251	23,662
Cemetery	1,225	2,755	1,530
Fire District	83,757	103,685	19,928

Fund	Approved Appropriations	Appropriation Amount posted to the accounting system	Variance
General	\$0	\$61,961	\$61,961
Motor Vehicle License Tax	0	10,010	10,010
Gasoline Tax	0	106,753	106,753
Road and Bridge	0	74,400	74,400
Cemetery	0	5,048	5,048
Fire District	0	103,751	103,751

Because the information entered into the accounting system was inaccurate, Township management was unable to effectively monitor budgetary activity throughout the year. Adjustments were made to the budgetary activity reported in the notes to the financial statements in order to accurately present budgeted receipts as certified by the County Auditor and appropriations as approved by the Township Trustees.

The Fiscal Officer should record estimated receipts per the Amended Certificate of Estimated Resources and appropriations per the Appropriation Resolution, as well as all amendments. In addition, the Fiscal Officer should periodically present budget versus actual results to the Board of Trustees. As part of their monitoring responsibilities, the Board of Trustees should review this information and inquire to the Fiscal Officer if they note apparent errors in the budget or actual data and should also use this information to determine if they should amend estimated revenues or appropriations.

**Officials' Response:** Fiscal Officer will get help with this matter to make sure it is done properly.

**SHORTCREEK TOWNSHIP**  
**838 WEST MAIN STREET**  
**ADENA, OHIO 43901**  
**(740) 546-4487**  
*Shortcreektwp@yahoo.com*

*Trustees*  
*Harry Jay Hopkins, Pres.*  
*David Rinkes*  
*John A. Stanko*

*Fiscal Officer*  
*Darla M. Monteleone*

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**DECEMBER 31, 2017 AND 2016**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2015-001	Ohio Rev. Code § 5705.10(D)	Not Corrected	Fiscal Officer will post funds to the correct funds.
2015-002	Ohio Rev. Code § 5705.10(I)	Not Corrected	Fiscal Officer will post transactions to the Cemetery Fund and/or General Fund when needed
2015-003	Ohio Rev. Code § 5705.39	Partially Corrected	The Township will ensure appropriations are within estimated resources.
2015-004	Ohio Rev. Code § 5705.38(A) and § 5705.41(B)	Not Corrected	Fiscal Officer will work to make sure the Trustees approve the budget and annual appropriations and that such is documented in the minutes.
2015-005	Posting of Budgetary Amounts to the Accounting System	Not Corrected	Fiscal Officer will get help with this matter to make sure it is done properly.
2015-006	Fund Balance Classification	Not Corrected	Fiscal Officer will use the Ohio Township Handbook manual to learn the classifications better.

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# Dave Yost • Auditor of State

**SHORT CREEK TOWNSHIP**

**HARRISON 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 28, 2018**