



OHIO AUDITOR OF STATE
KEITH FABER



**CAMP CREEK TOWNSHIP
PIKE COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Basic Financial Statements:	
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) All Governmental Fund Types For the Year Ended December 31, 2018.....	3
Notes to the Financial Statements For the Year Ended December 31, 2018	5
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) All Governmental Fund Types For the Year Ended December 31, 2017.....	13
Notes to the Financial Statements For the Year Ended December 31, 2017	15
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	23
Schedule of Findings.....	25

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Camp Creek Township
Pike County
9620 Camp Creek Road
Lucasville, Ohio 45648

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 the Camp Creek Township, Pike County, Ohio (the Township) as of and for the years ended December 31, 2018 and 2017.

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 such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

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

As described in Note 1 of the financial statements, 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 (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 Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2018 and 2017, 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 the Camp Creek Township, Pike County as of December 31, 2018 and 2017, 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 November 26, 2019, 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.



Keith Faber
Auditor of State

Columbus, Ohio

November 26, 2019

Camp Creek Township
Pike County, Ohio
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2018

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$15,514	\$45,900	\$61,414
Intergovernmental	25,907	109,987	135,894
Earnings on Investments	50	63	113
Miscellaneous	754	404	1,158
<i>Total Cash Receipts</i>	<u>42,225</u>	<u>156,354</u>	<u>198,579</u>
Cash Disbursements			
Current:			
General Government	30,062	5,491	35,553
Public Safety		36,159	36,159
Public Works		73,818	73,818
Health	3,214	13,830	17,044
Debt Service:			
Principal Retirement		3,500	3,500
Interest and Fiscal Charges		648	648
<i>Total Cash Disbursements</i>	<u>33,276</u>	<u>133,446</u>	<u>166,722</u>
<i>Net Change in Fund Cash Balances</i>	8,949	22,908	31,857
<i>Fund Cash Balances, January 1</i>	<u>8,477</u>	<u>60,820</u>	<u>69,297</u>
Fund Cash Balances, December 31			
Restricted	0	83,728	83,728
Unassigned (Deficit)	17,426	0	17,426
<i>Fund Cash Balances, December 31</i>	<u>\$17,426</u>	<u>\$83,728</u>	<u>\$101,154</u>

See accompanying notes to the basic financial statements

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Township of Camp Creek
Pike County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 1 – Reporting Entity

Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Camp Creek Township, Pike 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 Camp Creek Township Volunteer Fire Department, Lucasville Ohio, to provide fire services. The Township appropriates fire levy fund money to support the volunteer fire department.

The Township participates in the Ohio Township Risk Management Authority (OTARMA) which is an insurance risk-sharing pool available to Ohio Townships. Note 7 provides additional information regarding this entity.

The Township's management believes these financial statements present all activities for which the Township is financially accountable.

Basis of Presentation

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

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). The 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, by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D).

Cash and Deposits

The township deposits all available funds in an interest earning checking account at a local commercial bank. All deposits are valued at cost.

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:

Township of Camp Creek
Pike County
Notes to the Financial Statements
For the Year Ended December 31, 2018

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.

Motor Vehicle License Tax Fund: The motor vehicle license tax fund accounts for and reports that portion of motor vehicle license registration fees restricted for maintenance and repair of roads within the Township.

Fire Levy Fund: This fund receives property tax money to provide fire protection for the Township residents.

Cemetery Fund: This fund receives property tax money to provide upkeep and maintenance to the cemeteries.

Road and Bridge Fund: This fund receives property tax money to provide maintenance and repair of roads within the Township.

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. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at the end of the year.

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 cancelled and re-appropriated in the subsequent year.

A summary of 2018 budgetary activity appears in Note 3.

Township of Camp Creek
Pike County
Notes to the Financial Statements
For the Year Ended December 31, 2018

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:

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

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.

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 2 – Equity in Pooled Cash

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

	<u>2018</u>
Demand Deposits	\$101,154

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

Township of Camp Creek
Pike County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 3 – Budgetary Activity

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

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$26,566	\$42,225	\$15,659
Special Revenue	161,371	156,354	(5,017)
Total	\$187,937	\$198,579	\$10,642

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$35,043	\$33,276	\$1,767
Special Revenue	222,190	133,446	88,744
Total	\$257,233	\$166,722	\$90,511

Note 4 – 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.

Public utilities are also taxed on personal and real property located within the Township.

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

Note 5 - Debt

Debt outstanding at December 31, 2018, was as follows:

	Principal	Interest Rate
Backhoe	\$15,000	3.5%
Total	\$15,000	

The Township received a grant from the USDA Hillsboro, Ohio to purchase a backhoe for the Township. The grant was for 50,000. The cost of the backhoe was \$75,000. The USDA provided a loan for the remaining \$25,000 at 3.5 % interest. This loan is for 7 years and will be paid back as follows:

Township of Camp Creek
Pike County
Notes to the Financial Statements
For the Year Ended December 31, 2018

2019	3,500.00 Principal	525.00 Interest
2020	3,700.00 Principal	438.00 Interest
2021	3,800.00 Principal	308.00 Interest
2022	4,000.00 Principal	104.00 Interest

NOTE 6 - RETIREMENT SYSTEM

The Township's elected officials and employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, which include postretirement healthcare and survivor and disability benefits as prescribed by the Ohio Revised Code.

The Ohio Revised Code also prescribes contribution rates. For 2018 and 2017, 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, 2018.

NOTE 7 – 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 0 percent during calendar year 2018. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2018.

NOTE 8 – 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's membership increased from 1,010 members in 2016 to 1,016 members in 2017. Unpaid claims to be billed in the future is approximately \$6.9 million in 2017 and approximately \$6.9 million in 2016.

Township of Camp Creek
Pike County
Notes to the Financial Statements
For the Year Ended December 31, 2018

The Pool uses reinsurance and excess risk sharing arrangements to reduce its exposure to loss. These agreements permit recovery of a portion of its claims from reinsurers and a risk sharing pool; however, they do not discharge the Pool’s primary liability for such payments. The Pool is a member of American Public Entity Excess Pool (APEEP); which, like OTARMA is administered by York Risk Pooing Services, Inc. (York). APEEP provides the Pool with an excess risk sharing program. Under this arrangement, the Pool retains insured risks up to an amount specified in the contracts. At December 31, 2017 the Pool retained \$350,000 for casualty claims and \$250,000 for property claims. The Board of Directors and York periodically review the financial strength of the Pool and other market conditions to determine the appropriate level of risk the Pool will retain.

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) conforms with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2016 and 2017 (the latest information available):

	2017	2016
Assets	40,010,732	38,473,283
Liabilities	(8,675,465)	(8,244,140)
Net Position	31,335,267	30,229,143

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.

CONTRIBUTIONS TO OTARMA

2017	2018
4,592	4,382

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.

Township of Camp Creek
Pike County
Notes to the Financial Statements
For the Year Ended December 31, 2018

NOTE 9 – 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 10 – FUND BALANCES

The Township implemented Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Township is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on the fund balance for the major governmental funds and all other governmental funds are presented below.

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue Funds</u>	<u>Total Governmental Funds</u>
12/31/2018			
Restricted for			
Motor Vehicle License			
Tax		10,304	10,304
Gas Tax		53,462	53,462
Cemetery Maintenance		7,175	7,175
Road and Bridge		6,088	6,088
Fire		6,698	6,698
Total Restricted		<u>83,727</u>	<u>83,727</u>
Unassigned (Deficit)	<u>17,426</u>	0	17,426
Total Fund Balances	<u>17,426</u>	<u>83,727</u>	<u>101,153</u>

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Camp Creek Township
Pike County, Ohio
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	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$12,957	\$48,704	\$61,661
Intergovernmental	21,709	96,797	118,506
Earnings on Investments	21	25	46
Miscellaneous	810	1,252	2,062
<i>Total Cash Receipts</i>	<u>35,497</u>	<u>146,778</u>	<u>182,275</u>
Cash Disbursements			
Current:			
General Government	25,747	4,913	30,660
Public Safety		37,803	37,803
Public Works		90,890	90,890
Health	9,039	11,977	21,016
Debt Service:			
Principal Retirement		3,300	3,300
Interest and Fiscal Charges		763	763
<i>Total Cash Disbursements</i>	<u>34,786</u>	<u>149,646</u>	<u>184,432</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>711</u>	<u>(2,868)</u>	<u>(2,157)</u>
<i>Fund Cash Balances, January 1</i>	<u>7,766</u>	<u>63,688</u>	<u>71,454</u>
Fund Cash Balances, December 31			
Restricted	0	60,820	60,820
Unassigned (Deficit)	8,477	0	8,477
<i>Fund Cash Balances, December 31</i>	<u>\$8,477</u>	<u>\$60,820</u>	<u>\$69,297</u>

See accompanying notes to the basic financial statements

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Township of Camp Creek
Pike County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 1 – Reporting Entity

Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Camp Creek Township, Pike 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 Camp Creek Township Volunteer Fire Department, Lucasville Ohio, to provide fire services. The Township appropriates fire levy fund money to support the volunteer fire department.

The Township participates in the Ohio Township Risk Management Authority (OTARMA) which is an insurance risk-sharing pool available to Ohio Townships. Note 7 provides additional information regarding this entity.

The Township's management believes these financial statements present all activities for which the Township is financially accountable.

Basis of Presentation

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

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 11-2-3(D). The 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 by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code 117-2-3(D).

Cash and Deposits

The township deposits all available funds in an interest earning checking account at a local commercial bank. All deposits are valued at cost.

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:

Township of Camp Creek
Pike County
Notes to the Financial Statements
For the Year Ended December 31, 2017

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.

Motor Vehicle License Tax Fund: The motor vehicle license tax fund accounts for and reports that portion of motor vehicle license registration fees restricted for maintenance and repair of roads within the Township.

Fire Levy Fund: This fund receives property tax money to provide fire protection for the Township residents.

Cemetery Fund: This fund receives property tax money to provide upkeep and maintenance to the cemeteries.

Road and Bridge Fund: This fund receives property tax money to provide maintenance and repair of roads within the Township.

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. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at the end of the year.

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 cancelled and re-appropriated in the subsequent year.

A summary of 2017 budgetary activity appears in Note 3.

Township of Camp Creek
Pike County
Notes to the Financial Statements
For the Year Ended December 31, 2017

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:

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

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.

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 2 – Equity in Pooled Cash

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

	<u>2017</u>
Demand Deposits	\$69,297

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

Township of Camp Creek
Pike County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 3 – 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	\$30,790	\$35,497	\$4,707
Special Revenue	149,334	146,778	(2,556)
Total	\$180,124	\$182,275	\$2,151

2017 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$38,557	\$34,786	\$3,771
Special Revenue	213,022	149,646	63,376
Total	\$251,579	\$184,432	\$67,147

Note 4 – 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.

Public utilities are also taxed on personal and real property located within the Township.

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

Note 5 - Debt

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

	Principal	Interest Rate
Backhoe	\$18,500	3.5%
Total	\$18,500	

The Township received a grant from the USDA Hillsboro, Ohio to purchase a backhoe for the Township. The grant was for 50,000. The cost of the backhoe was \$75,000. The USDA provided a loan for the remaining \$25,000 at 3.5 % interest. This loan is for 7 years and will be paid back as follows:

Township of Camp Creek
Pike County
Notes to the Financial Statements
For the Year Ended December 31, 2017

2016	3,200.00 Principal	875.00 Interest
2017	3,300.00 Principal	763.00 Interest
2018	3,500.00 Principal	683.00 Interest
2019	3,500.00 Principal	525.00 Interest
2020	3,700.00 Principal	438.00 Interest
2021	3,800.00 Principal	308.00 Interest
2022	4,000.00 Principal	104.00 Interest

NOTE 6 - RETIREMENT SYSTEM

The Township's elected officials and employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, which include postretirement healthcare and survivor and disability benefits as prescribed by the Ohio Revised Code.

The Ohio Revised Code also prescribes contribution rates. For 2017 and 2016, 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, 2017.

NOTE 7 – 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 0 percent during calendar year 2017. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2017.

NOTE 8– 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.

Township of Camp Creek
Pike County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Casualty and Property Coverage

The Pool is a member of the 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, 2015 (info for 2016 not available at time of request), 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) conforms with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2014 and 2015 (the latest information available):

	2014	2015
Assets	35,970,263	37,313,311
Liabilities	8,912,432	8,418,518
Net Position	27,057,831	28,894,793

At December 31, 2015 and 2016, respectively, the liabilities information for estimated incurred claims payable was not available at the time of request for the information. The assets above also include approximately 7.7 million and info not available of unpaid claims to be billed to approximately 989 member governments in the future, as of December 31, 2015. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2014 (latest information available), the Township's share of these unpaid claims collectible in future years is approximately \$2,000.

Based on discussions with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

CONTRIBUTIONS TO OTARMA

2016	2017
4,587	4,592

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.

Township of Camp Creek
Pike County
Notes to the Financial Statements
For the Year Ended December 31, 2017

NOTE 9 – 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 10 – FUND BALANCES

The Township implemented Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Township is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on the fund balance for the major governmental funds and all other governmental funds are presented below.

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue Funds</u>	<u>Total Governmental Funds</u>
12/31/2017			
Restricted for			
Motor Vehicle License			
Tax		8,595	8,595
Gas Tax		30,241	30,241
Cemetery Maintenance		10,053	10,053
Road and Bridge		1,700	1,700
Fire		10,231	10,231
Total Restricted		<u>60,820</u>	<u>60,820</u>
Unassigned (Deficit)	<u>8,477</u>	0	8,477
Total Fund Balances	<u>8,477</u>	<u>60,820</u>	<u>69,297</u>

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OHIO AUDITOR OF STATE KEITH FABER



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

Camp Creek Township
Pike County
9620 Camp Creek Road
Lucasville, Ohio 45648

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 the Camp Creek Township, Pike County, (the Township) as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements and have issued our report thereon dated November 26, 2019 wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Township's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Township's internal control. Accordingly, we have not opined on it.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. *A material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of 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.

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

Compliance and Other Matters

As part of reasonably assuring whether 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 an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2018-001.

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 report is not suitable for any other purpose.



Keith Faber
Auditor of State

Columbus, Ohio

November 26, 2019

**CAMP CREEK TOWNSHIP
PIKE COUNTY
SCHEDULE OF FINDINGS
DECEMBER 31, 2018 AND 2017**

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

FINDING NUMBER 2018-001

Noncompliance

Ohio Rev. Code § 505.24(C) requires Trustees receiving compensation by annual salary to be paid from the township general fund or from other township funds in such proportions as the board may specify by resolution. Each trustee is required to certify the percentage of time spent working on matters to be paid from the township general fund and from other township funds in such proportions as the kinds of services performed. To be paid on a salary basis in equal monthly installments, the board of trustees must unanimously pass a resolution to allow it. To be paid from any fund(s) other than the general fund, the resolution must also specify the proportions of the salary that are to be paid from each fund.

Additionally, Trustees must complete a certification prior to receiving his/her pay for that pay period. The certification must be done individually, but is not required to be notarized. The certification is not required to be a time log. Rather, all that is required is a statement detailing the percentage of time that the trustee/fiscal officer spent during that pay period providing services related to each fund to be charged. If 100% of the compensation of the township trustee is to be paid from the general fund, no certification is required. See AOS Bulletin 2011-007.

Ohio Rev. Code § 507.09(D) states, in part, "A township fiscal officer may be compensated from the township general fund or from other township funds based on the proportion of time the township fiscal officer spends providing services related to each fund. A township fiscal officer must document the amount of time the township fiscal officer spends providing services related to each fund by certification specifying the percentage of time spent working on matters to be paid from the township general fund or from other township funds in such proportions as the kinds of services performed."

The Board of Trustees did not pass a resolution to be paid on a salary basis in monthly installments during 2017 or 2018. However the Township retroactively made such approvals, and payroll certifications.

During 2018, the Trustees were paid in the following manner:

- 50% from the Gasoline Tax fund and 50% from the General fund in January.
- For the remainder of 2018, the Trustees were paid 30% from the General fund and 70% from the Gasoline Tax Fund.

During 2017, the Trustees were paid in the following manner:

- 50% from the Gasoline Tax fund and 50% from the General fund for January through March.
- From April through December of 2017, the Trustees were paid 20% from the General fund and 80% from the Gasoline Tax fund.

During 2018, the Fiscal Officer was paid in the following manner:

- 100% from General fund in January.
- For February through April, 40% from General fund; 15% from Motor Vehicle License fund; 30% from Gasoline Tax fund; and 15% from the Road and Bridge fund.

**FINDING NUMBER 2018-001
(Continued)**

- For May through December, 60% from General fund; 10% from Motor Vehicle License fund; and 30% from the Gasoline Tax fund.

During 2017, the Fiscal Officer was paid in the following manner:

- 100% from General fund for January through March.
- For April through December, 40% from General fund; 15% from Motor Vehicle License fund; 30% from Gasoline Tax fund; and 15% from the Road and Bridge fund.

Failure to either charge 100% of Trustee and Fiscal Officer compensation to the General Fund or to provide documentation that certifies the percentage of time Trustees and Fiscal Officer spent on services other than those related to the General Fund could lead to the Township being required to make financial record adjustments which could lead to negative fund balances which could lead to Fiscal Caution, Watch, or Emergency.

We recommend that if Trustees intend to be paid on a salary basis in equal monthly installments, the board of trustees *unanimously* pass a resolution annually to allow it. Also, if Trustees and the Fiscal Officer are intended to be paid from any fund(s) other than the general fund, the resolution must also specify the proportions of the salary that are to be paid from each fund. Furthermore, we recommend the Trustee's and Fiscal Officer's payroll certifications be completed for each month in which they are to be paid from any fund(s) other than the general fund and the Fiscal Officer allocate their payroll according to these certifications. If no certifications are provided, then 100% of the compensation of the Trustees and Fiscal Officer should be paid from the general fund. Such approval should be performed in the period earned in future period.

Officials' Response:

The Officials did not respond to this finding.

OHIO AUDITOR OF STATE KEITH FABER



CAMP CREEK TOWNSHIP

PIKE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 19, 2019**