



OHIO AUDITOR OF STATE  
**KEITH FABER**





ISLAND CREEK TOWNSHIP  
JEFFERSON COUNTY

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# OHIO AUDITOR OF STATE KEITH FABER



101 Central Plaza South  
700 Chase Tower  
Canton, Ohio 44702-1509  
(330) 438-0617 or (800) 443-9272  
EastRegion@ohioauditor.gov

## INDEPENDENT AUDITOR'S REPORT

Island Creek Township  
Jefferson County  
416 Township Road 373  
Richmond, Ohio 43944

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 Island Creek Township, Jefferson 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 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 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 Island Creek Township, Jefferson 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 2.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 8, 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

August 8, 2019

**ISLAND CREEK TOWNSHIP  
JEFFERSON COUNTY**

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

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$17,248	\$613,189		\$630,437
Licenses, Permits and Fees	24,407			24,407
Intergovernmental	43,441	210,889	\$86,832	341,162
Special Assessments			17,989	17,989
Earnings on Investments	154			154
Miscellaneous	61,304	36,572		97,876
<i>Total Cash Receipts</i>	<u>146,554</u>	<u>860,650</u>	<u>104,821</u>	<u>1,112,025</u>
<b>Cash Disbursements</b>				
Current:				
General Government	71,935			71,935
Public Safety		278,936		278,936
Public Works		677,130	678	677,808
Health	11,447	3,000		14,447
Capital Outlay	3,705	6,701	72,057	82,463
Debt Service:				
Principal Retirement		33,985	16,608	50,593
Interest and Fiscal Charges		3,682		3,682
<i>Total Cash Disbursements</i>	<u>87,087</u>	<u>1,003,434</u>	<u>89,343</u>	<u>1,179,864</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>59,467</u>	<u>(142,784)</u>	<u>15,478</u>	<u>(67,839)</u>
<b>Other Financing Receipts (Disbursements)</b>				
Other Debt Proceeds		150,000		150,000
Transfers In		14,651		14,651
Transfers Out	(14,651)			(14,651)
Other Financing Sources		17,401		17,401
Other Financing Uses	(2,556)	(25,000)		(27,556)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(17,207)</u>	<u>157,052</u>	<u>0</u>	<u>139,845</u>
<i>Net Change in Fund Cash Balances</i>	42,260	14,268	15,478	72,006
<i>Fund Cash Balances, January 1</i>	<u>27,179</u>	<u>155,250</u>	<u>702</u>	<u>183,131</u>
<b>Fund Cash Balances, December 31</b>				
Restricted		138,205	16,180	154,385
Committed		31,313		31,313
Assigned	69,439			69,439
<i>Fund Cash Balances, December 31</i>	<u>\$69,439</u>	<u>\$169,518</u>	<u>\$16,180</u>	<u>\$255,137</u>

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

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**ISLAND CREEK TOWNSHIP**  
*JEFFERSON COUNTY*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Island Creek Township, Jefferson County 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 General Government Services. The Township contracts with the Pleasant Hill volunteer Fire department, Wintersville Fire Department, and Richmond Volunteer Fire Department for Fire Protection and Emergency Services and with Pottery Addition Fire Department for fire protection only.

***Public Entity Risk Pool***

The Township participates in The Ohio Township Association Risk Management Authority (OTARMA) public entity risk pool. Note 6 to the financial statements provides additional information for this entity.

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:

***Permissive Motor Vehicle License Tax*** The Township receives \$5.00 per each license plate sticker purchased that is from a vehicle registered in Island Creek Township. This is used to purchase equipment, vehicles, and major disbursements for vehicle and equipment repairs to maintain Township roads.

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

***Issue II Fund*** The township received a grant from the state for capital improvements. The proceeds are restricted for capital improvement.

**ISLAND CREEK TOWNSHIP**  
**JEFFERSON COUNTY**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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***Ohio Public Works Fund*** This fund receives special assessment money from residents of St. Joseph Drive. The funds are used to pay back a construction loan which was used to black St. Joseph Drive.

***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 unencumbered 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. The Township did not encumber all commitments required by Ohio law.

A summary of 2018 budgetary activity appears in Note 3.

***Deposits and Investments***

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

***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.

***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.

**ISLAND CREEK TOWNSHIP**  
**JEFFERSON COUNTY**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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***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.

**ISLAND CREEK TOWNSHIP**  
**JEFFERSON COUNTY**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending 2018 follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$146,554	\$146,554	\$0
Special Revenue	1,042,704	1,042,602	(102)
Capital Projects	104,819	104,821	2
Total	\$1,294,077	\$1,293,977	(\$100)

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$173,733	\$104,294	\$69,439
Special Revenue	1,197,954	1,028,434	169,520
Capital Projects	105,522	89,343	16,179
Total	\$1,477,209	\$1,222,071	\$255,138

**Note 4 – Deposits and Investments**

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

	2018
Demand deposits	\$255,137
Total deposits	255,137

***Deposits***

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

**Note 5 – 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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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.

**ISLAND CREEK TOWNSHIP**  
*JEFFERSON COUNTY*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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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 6 – 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 (the most current information available), 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, 2017 (the most current information available).

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

At December 31, 2017 (the most current information available) 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 (the most current information available). These amounts will be included in future contributions from members when the related claims are due for payment.

**ISLAND CREEK TOWNSHIP**  
*JEFFERSON COUNTY*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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As of December 31, 2018, the Township's share of these unpaid claims collectible in future years is approximately \$4,980.

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>2018 Contributions to OTARMA</u></b>
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\$11,319
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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 7 – Defined Benefit Pension Plans**

***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, 2018.

**Note 8 – 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.

**ISLAND CREEK TOWNSHIP**  
**JEFFERSON COUNTY**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

**Note 9 – Debt**

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

	Principal	Interest Rate
OPWC	\$58,126	0%
Backhoe	\$2,321	3%
Mini Excavator	\$19,060	3%
International Truck	\$141,128	4%
Total	\$220,635	

The Township entered into a loan agreement with the *Ohio Public Works Commission (OPWC)* for the St. Joseph Drive Resurfacing Project.

The Township entered into a lease purchase agreement with US Bank in 2013 for the lease purchase of a Backhoe.

The Township entered into a lease purchase agreement with US Bank in 2015 for the lease purchase of a Mini Excavator.

The Township entered into a lease purchase agreement with US Bank in 2018 for the lease purchase of a Dump Truck.

***Amortization***

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

Year Ending December 31:	OPWC	Backhoe	Mini Excavator	International Truck
2019	\$16,608	\$3,493	\$11,178	\$25,030
2020	16,608		11,178	25,030
2021	16,608			25,030
2022	8,302			25,030
2023				25,030
2024-2026				31,288
Total	\$58,126	\$3,493	\$22,356	\$156,438

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**ISLAND CREEK TOWNSHIP  
JEFFERSON COUNTY**

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

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$13,760	\$644,775		\$658,535
Licenses, Permits and Fees	26,210			26,210
Intergovernmental	45,829	203,327		249,156
Special Assessments			\$17,988	17,988
Earnings on Investments	2			2
Miscellaneous	22,579	1,800		24,379
<i>Total Cash Receipts</i>	<u>108,380</u>	<u>849,902</u>	<u>17,988</u>	<u>976,270</u>
<b>Cash Disbursements</b>				
Current:				
General Government	64,531			64,531
Public Safety		303,502		303,502
Public Works	4,260	604,436	678	609,374
Health	12,164	3,000		15,164
Capital Outlay	2,930	9,573		12,503
Debt Service:				
Principal Retirement		22,436	24,912	47,348
Interest and Fiscal Charges		1,551		1,551
<i>Total Cash Disbursements</i>	<u>83,885</u>	<u>944,498</u>	<u>25,590</u>	<u>1,053,973</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>24,495</u>	<u>(94,596)</u>	<u>(7,602)</u>	<u>(77,703)</u>
<b>Other Financing Receipts (Disbursements)</b>				
Transfers In		25,000	498	25,498
Transfers Out	(25,498)			(25,498)
Other Financing Sources		11,009		11,009
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(25,498)</u>	<u>36,009</u>	<u>498</u>	<u>11,009</u>
<i>Net Change in Fund Cash Balances</i>	<u>(1,003)</u>	<u>(58,587)</u>	<u>(7,104)</u>	<u>(66,694)</u>
<i>Fund Cash Balances, January 1</i>	<u>28,182</u>	<u>213,837</u>	<u>7,806</u>	<u>249,825</u>
<b>Fund Cash Balances, December 31</b>				
Restricted		150,728	702	151,430
Committed		4,522		4,522
Assigned	27,179			27,179
<i>Fund Cash Balances, December 31</i>	<u>\$27,179</u>	<u>\$155,250</u>	<u>\$702</u>	<u>\$183,131</u>

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

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**ISLAND CREEK TOWNSHIP**  
*JEFFERSON 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 Island Creek Township, Jefferson County 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 General Government Services. The Township contracts with the Pleasant Hill volunteer Fire department, Wintersville Fire Department, and Richmond Volunteer Fire Department for Fire Protection and Emergency Services, and with Pottery Addition Fire Department for fire protection only.

***Public Entity Risk Pool***

The Township participates in The Ohio Township Association Risk Management Authority (OTARMA) . public entity risk pool. Note 7 to the financial statements provides additional information for this entity.

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:

***Road and Bridge Fund*** This fund receives property tax money for constructing, maintaining and repairing Township roads and bridges. This fund also is the payroll source for road employees and one Trustee.

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

***Ohio Public Works Fund*** This fund receives special assessment money from residents of St. Joseph Drive. The funds are used to pay back a construction loan which was used to black St. Joseph Drive.

**ISLAND CREEK TOWNSHIP**  
**JEFFERSON COUNTY**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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***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 unencumbered 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. The Township did not encumber all commitments required by Ohio law.

A summary of 2017 budgetary activity appears in Note 4

***Deposits and Investments***

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

***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.

***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.

**ISLAND CREEK TOWNSHIP**  
**JEFFERSON COUNTY**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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***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 3 – Compliance**

Contrary to Ohio law, appropriations exceeded estimated/actual resources in the General, Permissive Motor Vehicle License, and Ohio Public Works Commission funds by \$3,862, \$287, and \$6,425 respectively for the year ended December 31, 2017. .

**ISLAND CREEK TOWNSHIP**  
**JEFFERSON COUNTY**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

**Note 4 – Budgetary Activity**

Budgetary activity for the year ending 2017 follows:

2017 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$108,380	\$108,380	\$0
Special Revenue	885,908	885,911	3
Capital Projects	18,486	17,988	(498)
Total	\$1,012,774	\$1,012,279	(\$495)

2017 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$140,424	\$109,383	\$31,041
Special Revenue	1,098,905	944,498	154,407
Capital Projects	32,716	25,590	7,126
Total	\$1,272,045	\$1,079,471	\$192,574

**Note 5 – Deposits and Investments**

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

	2017
Demand deposits	\$183,131
Total deposits	183,131

***Deposits***

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

**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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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.

**ISLAND CREEK TOWNSHIP**  
*JEFFERSON COUNTY*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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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 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, 2017.

	<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 \$4,688.

**ISLAND CREEK TOWNSHIP**  
**JEFFERSON COUNTY**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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>
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\$10,654
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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 Plans**

*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 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 10 – Debt**

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

	Principal	Interest Rate
OPWC	\$74,734	0%
Backhoe	\$16,036	3%
Mini Excavator	\$29,533	3%
Total	\$120,303	



**ISLAND CREEK TOWNSHIP**  
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*For the Year Ended December 31, 2017*

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The Township entered into a loan agreement with the *Ohio Public Works Commission (OPWC)* for the St. Joseph Drive Resurfacing Project.

The Township entered into a lease purchase agreement with US Bank in 2013 for the lease purchase of a Backhoe.

The Township entered into a lease purchase agreement with US Bank in 2015 for the lease purchase of a Mini Excavator.

***Amortization***

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

Year Ending December 31:	OPWC	Backhoe	Mini Excavator
2018	\$16,608	\$13,973	\$11,178
2019	16,608	3,493	11,178
2020	16,608		11,178
2021	16,608		
2022	8,302		
Total	\$74,734	\$17,466	\$33,534

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# OHIO AUDITOR OF STATE KEITH FABER



101 Central Plaza South  
700 Chase Tower  
Canton, Ohio 44702-1509  
(330) 438-0617 or (800) 443-9272  
EastRegion@ohioauditor.gov

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

Island Creek Township  
Jefferson County  
416 Township Road 373  
Richmond, Ohio 43944

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 Island Creek Township, Jefferson 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 August 8, 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 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.

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. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings that we consider material weaknesses. We consider findings 2018-002 and 2018-003 to be material weaknesses.

***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

August 8, 2019

**ISLAND CREEK TOWNSHIP  
JEFFERSON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2018 AND 2017**

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

**FINDING NUMBER 2018-001**

**Noncompliance – Appropriations Exceeded Estimated and Actual Resources**

**Ohio Rev. Code § 5705.39** prohibits a political subdivision from making a fund appropriation in excess of the total estimated revenue available for expenditure from that fund as certified by the budget commission on the Amended Official Certificates of Estimated Resources. In addition, **Ohio Rev. Code § 5705.36(A) (4)** requires that once it is determined revenue to be collected by the subdivision will be less than the amount previously estimated and the deficiency will reduce available resources below the level of current appropriations, the fiscal officer shall certify the amount of the deficiency to the commission; the commission shall certify an amended official certificate reflecting the excess and a reduced amended certificate of estimated resources should be issued.

At December 31, 2017 appropriations exceeded estimated and actual resources in the following funds:

<b>Fund</b>	<b>Appropriations</b>	<b>Estimated/Actual Resources</b>	<b>Variance</b>
General	\$140,026	\$136,164	\$3,862
Permissive Motor Vehicle License Special Revenue	81,229	80,942	287
Ohio Public Works Commission Capital Projects	32,716	26,291	6,425

The Township does not have procedures in place to monitor this budgetary compliance requirement. By appropriating more monies than available, the Township risks overspending within the funds and possible negative fund balances.

The Board of Trustees and Fiscal Officer should monitor appropriations versus estimated resources to help ensure appropriations are within estimated and actual resources to help ensure overspending does not occur. In addition, the Fiscal Officer should obtain the necessary Amended Official Certificate of Estimated Resources from the County Auditor, which should be certified by the budget commission, each time appropriations and estimated resources are amended.

**FINDING NUMBER 2018-002**

**Material Weakness – Budgetary Amounts Not Recorded in the Accounting System**

Sound accounting practices require accurately posting estimated receipts and appropriations to the ledgers to provide information for budget versus actual comparison and to allow the Board to make informed decisions regarding budgetary matters.

The Appropriation resolution and subsequent amendments establish the legal spending authority of the Township and the appropriation ledger provides the process by which the Township controls spending, it is therefore necessary the amounts appropriated by the Board are precisely stated and accurately posted to the appropriation ledger.

**FINDING NUMBER 2018-002**  
 (Continued)

The Township did not have procedures in place to accurately post authorized budgetary measures to the accounting system. The appropriations (and/or amendments thereof) approved by Board were not properly posted to the accounting system during 2017 as the General, Permissive Motor Vehicle License Special Revenue and Ohio Public Works Commission Capital Projects Funds appropriations per the accounting system exceeded the Board approved appropriations in the amounts of \$4,260, \$287, and \$6,425, respectively. In addition, the 2017 filed financial statement report did not include budgetary information for the Capital Projects Funds.

Failure to accurately post the appropriations to the ledgers could result in overspending and negative cash balances.

To effectively control the budgetary cycle and to maintain accountability over expenditures, the Township should post to the ledgers, on a timely basis, appropriations approved by the Board of Trustees. The Township should then monitor budget versus actual reports to help ensure appropriations have been properly posted to the ledgers.

**FINDING NUMBER 2018-003**

**Material Weakness – Posting Financial Activity**

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 Fiscal Officer did not abide by the adopted chart of account in coding and classifying various transactions in 2018 and 2017. This resulted in adjustments and reclassifications to the financial statements. The Township Fiscal Officer and management have agreed to the reclassifications and the corrected amounts are reflected in the accompanying financial statements.

**2018 Reclassifications:**

<b>Fund</b>	<b>Reclassified To:</b>	<b>Amount</b>	<b>Reclassified From:</b>
Public Works Capital Projects	Principal Disbursement	\$16,608	Capital Outlay Disbursement
Road & Bridge Special Revenue	Intergovernmental Revenue	26,358	Tax Revenue
Fire Levy Special Revenue	Intergovernmental Revenue	13,210	Tax Revenue
Road District Special Revenue	Intergovernmental Revenue	11,714	Tax Revenue

**FINDING NUMBER 2018-003**  
 (Continued)

Emergency Medical Services Special Revenue	Intergovernmental Revenue	7,787	Tax Revenue
Fire District Special Revenue	Intergovernmental Revenue	2,628	Tax Revenue
Fire Apparatus Special Revenue	Intergovernmental Revenue	2,594	Tax Revenue
Fire Apparatus & Building Special Revenue	Intergovernmental Revenue	5,199	Tax Revenue
Road Levy Special Revenue	Intergovernmental Revenue	10,378	Tax Revenue
Public Works Capital Projects	Special Assessment Revenue	17,989	Tax Revenue
Permissive Motor Vehicle License Special Revenue	Debt Proceeds	150,000	Miscellaneous Revenue
General	Assigned Fund Balance	69,439	Unassigned Fund Balance
Gasoline Tax Special Revenue	Public Works Disbursement	9,216	General Government Disbursement
Road and Bridge Special Revenue	Public Works Disbursement	30,321	General Government Disbursement
Road and Bridge Special Revenue	Committed Fund Balance	31,313	Restricted Fund Balance

**2017 Reclassifications:**

<b>Fund:</b>	<b>Reclassified to:</b>	<b>Amount</b>	<b>Reclassified from:</b>
Public Works Capital Projects	Principal Disbursement	\$24,912	Capital Outlay Disbursement
Gasoline Tax Special Revenue	Public Works Disbursement	1,942	General Government Disbursement
Road and Bridge Special Revenue	Public Works Disbursement	32,778	General Government Disbursement
Fire Apparatus Special Revenue	Public Safety Disbursement	4,249	General Government Disbursement
Road Levy Special Revenue	Public Works Disbursement	16,995	General Government Disbursement
Road & Bridge Special Revenue	Intergovernmental Revenue	26,577	Tax Revenue
Fire Levy Special Revenue	Intergovernmental Revenue	13,332	Tax Revenue
Road District Special Revenue	Intergovernmental Revenue	11,812	Tax Revenue

**FINDING NUMBER 2018-003**  
 (Continued)

<b>Fund:</b>	<b>Reclassified to:</b>	<b>Amount</b>	<b>Reclassified from:</b>
Emergency Medical Services Levy Special Revenue	Intergovernmental Revenue	7,927	Tax Revenue
Fire District Special Revenue	Intergovernmental Revenue	2,709	Tax Revenue
Fire Apparatus Special Revenue	Intergovernmental Revenue	2,641	Tax Revenue
Fire Apparatus & Building Special Revenue	Intergovernmental Revenue	5,292	Tax Revenue
Road Levy Special Revenue	Intergovernmental Revenue	10,563	Tax Revenue
Public Works Capital Projects	Special Assessment Revenue	17,988	Tax Revenue
General	Assigned Fund Balance	27,179	Unassigned Fund Balance
Gasoline Tax Special Revenue	Public Works Disbursement	810	Interest Disbursement
Special Road Special Revenue	Public Works Disbursement	1,320	Interest Disbursement
Road Levy Special Revenue	Public Works Disbursement	720	Interest Disbursement
Road and Bridge Special Revenue	Committed Fund Balance	4,522	Restricted Fund Balance
Emergency Medical Services Special Revenue	Intergovernmental Revenue	7,787	Tax Revenue
Fire District Special Revenue	Intergovernmental Revenue	2,628	Tax Revenue
Fire Apparatus Special Revenue	Intergovernmental Revenue	2,594	Tax Revenue
Fire Apparatus & Building Special Revenue	Intergovernmental Revenue	5,199	Tax Revenue
Road Levy Special Revenue	Intergovernmental Revenue	10,378	Tax Revenue
Public Works Capital Projects	Special Assessment Revenue	17,989	Tax Revenue
Permissive Motor Vehicle License Special Revenue	Debt Proceeds	150,000	Miscellaneous Revenue
General	Assigned Fund Balance	69,439	Unassigned Fund Balance
Gasoline Tax Special Revenue	Public Works Disbursement	9,216	General Government Disbursement
Road and Bridge Special Revenue	Public Works Disbursement	30,321	General Government Disbursement
Road and Bridge Special Revenue	Committed Fund Balance	31,313	Restricted Fund Balance



**FINDING NUMBER 2018-003**  
(Continued)

Other mispostings were identified, however were not material and the Township decided not to make the adjustments.

The following are the adjustments to the 2018 and 2017 Financial Statement Notes:

- The total demand deposits within the Equity in Pooled Deposits and Investments Note was not presented;
- The Budgetary Activity Note did not include accurate comparison tables and figures;
- The Debt Note did not report ending principal balances for each loan and the amortization table was not included. In addition, a description of each debt was not included; and
- The Post-Employment Benefits Note was omitted.

The Township did not have procedures in place to record transactions properly.

Failure to consistently follow a uniform chart of accounts increases the possibility the Township will not be able to identify, assemble, classify, record, and report its transactions correctly or to document compliance with finance-related legal and contractual requirements.

The Fiscal Officer should maintain the accounting system to enable the Township to identify, assemble, analyze, classify, record, and report all transactions and to maintain accountability. All transactions should be properly coded and classified according to the UAN chart of accounts to help ensure that financial activity of the Township is accurately recorded and reported. In addition, the Township should review the financial statements and notes prior to report submission.

**Officials' Response:** We did not receive a response from Officials to the findings reported above.

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OHIO AUDITOR OF STATE  
**KEITH FABER**



**ISLAND CREEK TOWNSHIP**

**JEFFERSON COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
SEPTEMBER 10, 2019**