



**SHORT CREEK TOWNSHIP  
HARRISON COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 1999 -1998**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



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STATE OF OHIO  
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## REPORT OF INDEPENDENT ACCOUNTANTS

Short Creek Township  
Harrison County  
77330 Branson Road  
Cadiz, Ohio 43907

To the Board of Trustees:

We have audited the accompanying financial statements of Short Creek Township, Harrison County, Ohio, (the Township) as of and for the years ended December 31, 1999 and December 31, 1998. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Short Creek Township as of December 31, 1999 and December 31, 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 20, 2000 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 grants.

This report is intended solely for the information and use of management, the Board of Trustees and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro".

**Jim Petro**  
Auditor of State

April 20, 2000



**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Local Taxes	\$6,387	\$33,063	\$39,450
Intergovernmental	15,137	64,066	79,203
Earnings on Investments	437	856	1,293
Other Revenue	60	1,187	1,247
	<u>22,021</u>	<u>99,172</u>	<u>121,193</u>
<b>Total Cash Receipts</b>			
	<u>22,021</u>	<u>99,172</u>	<u>121,193</u>
<b>Cash Disbursements:</b>			
Current:			
General Government	19,049	1,945	20,994
Public Safety		21,463	21,463
Public Works	4,635	74,101	78,736
Health	4,274	1,050	5,324
Conservation - Recreation	1,050		1,050
	<u>29,008</u>	<u>98,559</u>	<u>127,567</u>
<b>Total Cash Disbursements</b>			
	<u>29,008</u>	<u>98,559</u>	<u>127,567</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>(6,987)</u>	<u>613</u>	<u>(6,374)</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-In	2,000		2,000
Transfers-Out		(2,000)	(2,000)
Other Sources	2,020		2,020
	<u>4,020</u>	<u>(2,000)</u>	<u>2,020</u>
<b>Total Other Financing Receipts/(Disbursements)</b>			
	<u>4,020</u>	<u>(2,000)</u>	<u>2,020</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>(2,967)</u>	<u>(1,387)</u>	<u>(4,354)</u>
<b>Fund Cash Balances, January 1</b>	<u>16,138</u>	<u>27,620</u>	<u>43,758</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$13,171</u></u>	<u><u>\$26,233</u></u>	<u><u>\$39,404</u></u>

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

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
FIDUCIARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<b>Fiduciary Fund Type</b>
	<b>Nonexpendable Trust</b>
<b>Operating Cash Receipts:</b>	
Miscellaneous	\$516
Total Operating Cash Receipts	516
<b>Operating Cash Disbursements:</b>	
Personal Services	298
Supplies and Materials	76
Total Operating Cash Disbursements	374
Operating Income	142
Fund Cash Balances, January 1	10,826
<b>Fund Cash Balances, December 31</b>	<b>\$10,968</b>

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



**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Local Taxes	\$6,303	\$32,709	\$39,012
Intergovernmental	13,714	72,247	85,961
Earnings on Investments	1,271	651	1,922
Other Revenue	1,608	5,352	6,960
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	22,896	110,959	133,855
<b>Cash Disbursements:</b>			
Current:			
General Government	28,325		28,325
Public Safety	1,337	92,054	93,391
Public Works	0	12,550	12,550
Health	4,037	408	4,445
Conservation - Recreation	631		631
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	34,330	105,012	139,342
Total Receipts Over/(Under) Disbursements	<hr/>	<hr/>	<hr/>
	(11,434)	5,947	(5,487)
<b>Other Financing Receipts/(Disbursements):</b>			
Advances-In		2,000	2,000
Transfers-Out	(87)		(87)
Advances-Out	(2,000)		(2,000)
Other Sources	698		698
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	(1,389)	2,000	611
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<hr/>	<hr/>	<hr/>
	(12,823)	7,947	(4,876)
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>
	28,961	19,673	48,634
<b>Fund Cash Balances, December 31</b>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	<b>\$16,138</b>	<b>\$27,620</b>	<b>\$43,758</b>

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

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
FIDUCIARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<b>Fiduciary Fund Type</b>
	<b>Nonexpendable Trust</b>
<b>Operating Cash Receipts:</b>	
Miscellaneous	\$426
Total Operating Cash Receipts	426
<b>Operating Cash Disbursements:</b>	
Personal Services	281
Supplies and Materials	102
Total Operating Cash Disbursements	383
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	43
Transfers-In	87
Net Receipts Over/(Under) Disbursements	130
Fund Cash Balances, January 1	10,696
<b>Fund Cash Balances, December 31</b>	<b>\$10,826</b>

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Short Creek Township, Harrison County, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides general governmental services, including road and bridge maintenance and cemetery maintenance. The Township contracts with the Villages of Cadiz, Adena and Harrisville to provide fire services and emergency medical services.

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

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized 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 prescribed or permitted by the Auditor of State.

**C. Cash and Investments**

Certificates of deposit are valued at cost.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

**D. Fund Accounting**

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

**1. General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

*Fire Fund* - This fund receives property tax money for fire protection for the Township.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999 AND 1998**  
**(Continued)**

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

**3. Fiduciary Funds (Trust and Agency Funds)**

These funds are used to account for resources restricted by legally binding trust agreements and funds for which the Township is acting in an agency capacity. The Township had the following significant fiduciary funds:

*Cemetery Bequest Fund:* This fund receives interest from a certificate of deposit for the care and upkeep of the Township cemetery

**E. Budgetary Process**

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

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also approve estimated resources.

**3. Encumbrances**

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 1999 and 1998 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**G. Unpaid Vacation and Sick Leave**

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Township.

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999 AND 1998**  
(Continued)

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

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

	<u>1999</u>	<u>1998</u>
Demand deposits	\$40,372	\$44,584
Certificate of deposit	10,000	10,000
Total deposits	<u>\$50,372</u>	<u>\$54,584</u>

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 1999 and December 31, 1998 follows:

1999 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$26,995	\$26,041	(\$954)
Special Revenue	104,983	99,172	(5,811)
Fiduciary	564	516	(48)
Total	<u>\$132,542</u>	<u>\$125,729</u>	<u>(\$6,813)</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$43,133	\$29,008	\$14,125
Special Revenue	132,603	100,559	32,044
Fiduciary	1,390	374	1,016
Total	<u>\$177,126</u>	<u>\$129,941</u>	<u>\$47,185</u>

1998 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$49,893	\$23,594	(\$26,299)
Special Revenue	111,514	110,959	(555)
Fiduciary	600	513	(87)
Total	<u>\$162,007</u>	<u>\$135,066</u>	<u>(\$26,941)</u>

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$59,993	\$34,417	\$25,576
Special Revenue	173,224	105,012	68,212
Fiduciary	1,483	383	1,100
Total	\$234,700	\$139,812	\$94,888

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, 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.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

**6. RETIREMENT SYSTEMS**

The Township's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is cost-sharing, multiple-employer plans. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 1999.

**7. RISK MANAGEMENT**

The Township has obtained commercial insurance for the following risks:

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

The Township also provides health insurance and dental and vision coverage to full-time employees through a private carrier.



STATE OF OHIO  
OFFICE OF THE AUDITOR  
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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL  
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Short Creek Township  
Harrison County  
77330 Branson Road  
Cadiz, Ohio 43907

To the Board of Trustees:

We have audited the accompanying financial statements of Short Creek Township, Harrison County, Ohio (the Township), as of and for the years ended December 31, 1999 and December 31, 1998, and have issued our report thereon dated April 20, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated April 20, 2000.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated April 20, 2000.

Short Creek Township  
Harrison County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
Page 2

This report is intended for the information and use of management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

**Jim Petro**  
Auditor of State

April 20, 2000





STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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800-282-0370

Facsimile 614-466-4490

**SHORT CREEK TOWNSHIP**

**HARRISON COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
MAY 30, 2000**