

SALT CREEK TOWNSHIP

INDEPENDENT AUDITOR'S REPORT

FOR THE YEARS ENDED
DECEMBER 31, 2000 AND DECEMBER 31, 1999



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
Columbus, Ohio 43215
Telephone 614-466-4514
800-282-0370
Facsimile 614-728-7398
www.auditor.state.oh.us

Board of Trustees
Salt Creek Township, Wayne County
P.O. Box 179
Fredericksburg, Ohio 44627

We have reviewed the Independent Auditor's Report of Salt Creek Township, Wayne County, prepared by Gary B. Fink & Associates, Inc., for the audit period January 1, 1999 through December 31, 2000. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Salt Creek Township is responsible for compliance with these laws and regulations.

JIM PETRO
Auditor of State

August 15, 2001

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**SALT CREEK TOWNSHIP
FOR THE YEARS ENDED
DECEMBER 31, 2000 AND DECEMBER 31, 1999**

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SALT CREEK TOWNSHIP

**ELECTED OFFICIALS
AS OF DECEMBER 31, 2000**

<u>NAME</u>	<u>TITLE</u>	<u>TERM OF OFFICE</u>	<u>SURETY</u>	<u>AMOUNT</u>	<u>PERIOD</u>
Myron Swinehart	Board Chairman	01/01/98-12/31/01	(A)	\$1,000	Covers Term
Virgil E. Leaman	Trustee	01/01/01-12/31/04	(A)	\$5,000	Covers Term
Donald E. Rhamy	Trustee	01/01/98-12/31/01	(A)	\$1,000	Covers Term
Rodney A. Lemon	Clerk	04/01/00-03/31/04	(A)	\$5,000	Covers Term

(A) Personal Service Insurance Company

STATUTORY LEGAL COUNSEL

Mr. Martin Frantz
Wayne County Prosecutor
Wayne County Offices
115 West Liberty Street
Wooster, OH 44691-4801

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Salt Creek Township, Wayne County
PO Box 179
Fredericksburg, Ohio 44627

We have audited the accompanying financial statements of Salt Creek Township, Wayne County (the Township), as of and for the years ended December 31, 2000 and December 31, 1999, as listed in the table of contents. 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 auditing standards generally accepted in the United States of America 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 fund cash balances and reserves for encumbrances of Salt Creek Township as of December 31, 2000 and December 31, 1999, and its 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 July 27, 2001 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

INDEPENDENT AUDITOR'S REPORT (continued)

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 Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than those specified parties.



GARY B. FINK & ASSOCIATES, INC.
Certified Public Accountants

July 27, 2001

FINANCIAL STATEMENTS

**Salt Creek Township
 Combined Statement of Cash Receipts, Cash Disbursements and
 Changes in Fund Cash Balances - All Governmental Fund Types
 For the Year Ended December 31, 2000**

	General	Special Revenue	Total (Memorandum Only)
Cash Receipts			
Taxes	\$14,054	\$152,204	\$166,258
Intergovernmental	41,057	90,478	131,535
Interest	2,059	0	2,059
	<u>57,170</u>	<u>242,682</u>	<u>299,852</u>
Total Cash Receipts			
Cash Disbursements			
General Government	44,568	0	44,568
Public Safety	5,525	0	5,525
Public Works	1,046	130,383	131,429
Health	7,289	0	7,289
Conservation	3,500	0	3,500
Capital Outlay	0	58,404	58,404
	<u>61,928</u>	<u>188,787</u>	<u>250,715</u>
Total Cash Disbursements			
Total Receipts Over (Under) Disbursements	(4,758)	53,895	49,137
Fund Cash Balances, January 1, 2000	<u>18,339</u>	<u>72,995</u>	<u>91,334</u>
Fund Cash Balances, December 31, 2000	<u>\$13,581</u>	<u>\$126,890</u>	<u>\$140,471</u>
Reserve for Encumbrances, December 31, 2000	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

**Salt Creek Township
 Combined Statement of Cash Receipts, Cash Disbursements and
 Changes in Fund Cash Balances - All Governmental Fund Types
 For the Year Ended December 31, 1999**

	General	Special Revenue	Total (Memorandum Only)
Cash Receipts			
Taxes	\$9,939	\$144,518	\$154,457
Intergovernmental Receipts	48,410	85,033	133,443
Interest	1,409	0	1,409
All Other Receipts	1,629	0	1,629
Total Cash Receipts	<u>61,387</u>	<u>229,551</u>	<u>290,938</u>
Cash Disbursements			
General Government	38,143	0	38,143
Public Safety	5,025	0	5,025
Public Works	1,919	185,093	187,012
Health	8,407	0	8,407
Capital Outlay	10,763	2,354	13,117
Total Cash Disbursements	<u>64,257</u>	<u>187,447</u>	<u>251,704</u>
Total Receipts Over (Under) Disbursements	(2,870)	42,104	39,234
Fund Cash Balances, January 1, 1999	<u>21,209</u>	<u>30,891</u>	<u>52,100</u>
Fund Cash Balances, December 31, 1999	<u>\$18,339</u>	<u>\$72,995</u>	<u>\$91,334</u>
Reserve for Encumbrances, December 31, 1999	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

SALT CREEK TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2000 AND DECEMBER 31, 1999

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. Description of the Entity

Salt Creek Township, Wayne 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. The Township provides general governmental 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. Accordingly, receipts are recognized when received in cash rather than when earned, and disbursements are recognized when a payment is made rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. 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:

General Fund - The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

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

Gasoline Tax Fund - This fund receives gasoline taxes from the County Auditor for maintaining and repairing Township roads.

Road and Bridge Fund - This fund receives property taxes from the County Auditor for maintaining and repairing Township roads and bridges.

Road District Fund - This fund receives property taxes from the County Auditor for maintaining and repairing Township roads and bridges.

SALT CREEK TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2000 AND DECEMBER 31, 1999

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

D. Budgetary Process

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

Appropriations - Budgetary expenditures (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. Unencumbered 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 also approve estimated resources.

Encumbrances - The Ohio Revised Code requires the Township to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

E. 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.

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

The Township maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. At December 31, 2000, the carrying amount of the Township's deposits was \$140,471 and the bank balance was \$211,187. Of the bank balance, \$100,000 was covered by Federal Depositor Insurance and the remaining balance was collateralized by the safekeeping department of the financial institution.

SALT CREEK TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2000 AND DECEMBER 31, 1999

3. **BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2000 and December 31, 1999 was as follows:

2000 Budget vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 90,664	\$ 57,170	\$(33,494)
Special Revenue	<u>301,449</u>	<u>242,682</u>	<u>(58,767)</u>
Total	<u>\$392,113</u>	<u>\$299,852</u>	<u>\$(92,261)</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditure</u>	<u>Variance</u>
General	\$ 90,664	\$ 61,929	\$ 28,735
Special Revenue	<u>301,449</u>	<u>188,787</u>	<u>112,662</u>
Total	<u>\$392,113</u>	<u>\$250,716</u>	<u>\$141,397</u>

1999 Budget vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 79,026	\$ 61,387	\$(17,639)
Special Revenue	<u>252,718</u>	<u>229,551</u>	<u>(23,167)</u>
Total	<u>\$331,744</u>	<u>\$290,938</u>	<u>\$(40,806)</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditure</u>	<u>Variance</u>
General	\$ 79,026	\$ 64,257	\$14,769
Special Revenue	<u>252,720</u>	<u>187,447</u>	<u>65,273</u>
Total	<u>\$331,746</u>	<u>\$251,704</u>	<u>\$80,042</u>

SALT CREEK TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2000 AND DECEMBER 31, 1999

4. **PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the 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. The second half payment is due the following June 20.

Tangible personal property tax is assessed to 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.

5. **RETIREMENT SYSTEMS**

Employees belong to the Public Employees Retirement System (PERS) of Ohio, PERS is a cost-sharing, multiple-employer defined benefit pension plan. This plan provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. The PERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to: 277 East Town Street, Columbus, Ohio 43215 or by calling (614)466-2085 or 1-800-222-PERS (7377).

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2000 and 1999, PERS members contributed 8.5% of their gross salaries. In 2000, the Retirement Board instituted a temporary employer contribution rollback. The rollback was 20%. The 2000 employer contribution rate was 10.84% of covered payroll. The 1999 employer contribution rate was 13.55% of covered payroll. The Township has paid all contributions required through December 31, 2000.

6. **RISK MANAGEMENT**

The Township has obtained commercial insurance through private carriers for the following risks:

- a. Comprehensive property and general liability
- b. Public officials and employee liability
- c. Vehicles

SALT CREEK TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2000 AND DECEMBER 31, 1999

6. **RISK MANAGEMENT** (continued)

The Township also provides life and health insurance for all Township employees through private carriers.

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Trustees
Salt Creek Township, Wayne County
PO Box 179
Fredericksburg, Ohio 44627

We have audited the financial statements of Salt Creek Township, Wayne County (the Township), as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated July 27, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 and contracts, noncompliance with which could have a direct and material effect on the 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*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the 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 operations that we consider to be material weaknesses.

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* (continued)

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 Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than those specified parties.



GARY B. FINK & ASSOCIATES, INC.
Certified Public Accountants

July 27, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

SALT CREEK TOWNSHIP

WAYNE 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
AUGUST 23, 2001**