



**SALTCREEK TOWNSHIP
PICKAWAY COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**SALTCREEK TOWNSHIP
PICKAWAY COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Saltcreek Township
Pickaway County
13138 State Route 56
Kingston, Ohio 45644

To the Board of Trustees

We have audited the accompanying financial statements of the Saltcreek Township, Pickaway County, Ohio, (the Township) as of and for the years ended December 31, 2000 and December 31, 1999. 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 Saltcreek Township, Pickaway County, Ohio as of December 31, 2000 and December 31, 1999, 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 January 29, 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.

This report is intended solely for the information and use of management and 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.

JIM PETRO
Auditor of State

January 29, 2001

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**SALTCREEK TOWNSHIP
PICKAWAY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

| | <u>Governmental Fund Types</u> | | | Totals (Memorandum Only) |
|--|--------------------------------|----------------------------|-----------------------------|---|
| | <u>General</u> | <u>Special Revenue</u> | <u>Capital Projects</u> | |
| Cash Receipts: | | | | |
| Property Tax and Other Local Taxes | \$40,552 | \$140,719 | \$0 | \$181,271 |
| Intergovernmental Receipts | 106,963 | 100,146 | 0 | 207,109 |
| Fines, Licenses, and Permits | 0 | 7,350 | 0 | 7,350 |
| Earnings on Investments | 4,975 | 1,165 | 0 | 6,140 |
| Other Revenue | 38 | 3,062 | 0 | 3,100 |
| | <u>152,528</u> | <u>252,442</u> | <u>0</u> | <u>404,970</u> |
| Total Cash Receipts | | | | |
| | <u>152,528</u> | <u>252,442</u> | <u>0</u> | <u>404,970</u> |
| Cash Disbursements: | | | | |
| Current: | | | | |
| Public Safety | 0 | 51,059 | 0 | 51,059 |
| Public Works | 5,613 | 6,589 | 0 | 12,202 |
| Community Environment | 0 | 158,947 | 0 | 158,947 |
| General Government | 47,110 | 2,805 | 0 | 49,915 |
| Debt Service: | | | | |
| Principal Payments | 4,389 | 17,555 | 0 | 21,944 |
| Interest Payments | 111 | 1,838 | 0 | 1,949 |
| Capital Outlay | 0 | 5,000 | 0 | 5,000 |
| | <u>57,223</u> | <u>243,793</u> | <u>0</u> | <u>301,016</u> |
| Total Disbursements | | | | |
| | <u>57,223</u> | <u>243,793</u> | <u>0</u> | <u>301,016</u> |
| Total Receipts Over/(Under) Disbursements | 95,305 | 8,649 | 0 | 103,954 |
| Fund Cash Balances January 1 | 45,437 | 131,052 | 979 | 177,468 |
| | <u>45,437</u> | <u>131,052</u> | <u>979</u> | <u>177,468</u> |
| Fund Cash Balances, December 31 | <u>\$140,742</u> | <u>\$139,701</u> | <u>\$979</u> | <u>\$281,422</u> |

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

**SALTCREEK TOWNSHIP
PICKAWAY COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2000**

| | Fiduciary Fund Type |
|--|---------------------------------|
| | Non-Expendable Trust |
| Operating Cash Receipts: | |
| Miscellaneous | \$0 |
| Total Operating Cash Receipts | 0 |
| Operating Cash Disbursements: | |
| Personal Services | 0 |
| Total Operating Cash Disbursements | 0 |
| Operating Income/(Loss) | 0 |
| Fund Cash Balances, January 1 | 19,421 |
| Fund Cash Balances, December 31 | \$19,421 |

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

**SALTCREEK TOWNSHIP
PICKAWAY COUNTY**

**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> | | | Totals (Memorandum Only) |
|--|--------------------------------|----------------------------|-----------------------------|---|
| | <u>General</u> | <u>Special Revenue</u> | <u>Capital Projects</u> | |
| Cash Receipts: | | | | |
| Property Tax and Other Local Taxes | \$35,599 | \$135,880 | \$0 | \$171,479 |
| Intergovernmental Receipts | 31,207 | 93,775 | 0 | 124,982 |
| Fines, Licenses, and Permits | 0 | 5,150 | 0 | 5,150 |
| Earnings on Investments | 5,018 | 1,357 | 0 | 6,375 |
| Miscellaneous | 28 | 2,212 | 0 | 2,240 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Cash Receipts | 71,852 | 238,374 | 0 | 310,226 |
| Cash Disbursements: | | | | |
| Current: | | | | |
| Security of Persons and Property | 0 | 38,643 | 0 | 38,643 |
| Public Health Services | 5,314 | 6,979 | 0 | 12,293 |
| Public Works | 10,000 | 184,179 | 0 | 194,179 |
| General Government | 36,113 | 2,055 | 0 | 38,168 |
| Debt Service: | | | | |
| Principal Payments | 2,000 | 2,878 | 0 | 4,878 |
| Interest Payments | 0 | 110 | 0 | 110 |
| Capital Outlay | 42,124 | 5,158 | 0 | 47,282 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Disbursements | 95,551 | 240,002 | 0 | 335,553 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Receipts Over/(Under) Disbursements | (23,699) | (1,628) | 0 | (25,327) |
| Other Financing Receipts(Disbursements) | | | | |
| Sale of Notes | 42,124 | 0 | 0 | 0 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Financing Receipts/ Disbursements | 42,124 | 0 | 0 | 42,124 |
| Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements | | | | |
| | 18,425 | (1,628) | 0 | 16,797 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Fund Cash Balances, January 1 | 27,012 | 132,680 | 979 | 160,671 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Fund Cash Balances, December 31 | <u>\$45,437</u> | <u>\$131,052</u> | <u>\$979</u> | <u>\$177,468</u> |

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

**SALTCREEK TOWNSHIP
PICKAWAY COUNTY**

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

| | <u>Fiduciary Fund Type</u> |
|--|--------------------------------|
| | <u>Nonexpendable Trust</u> |
| Operating Cash Receipts: | |
| Miscellaneous | \$0 |
| Total Operating Cash Receipts | 0 |
| Operating Cash Disbursements: | |
| Total Operating Cash Disbursements | 0 |
| Operating Income/(Loss) | 0 |
| Fund Cash Balances, January 1 | 19,421 |
| Fund Cash Balances, December 31 | <u><u>\$19,421</u></u> |

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

**SALTCREEK TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Saltcreek Township, Pickaway County, Ohio, (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 emergency ambulance and fire services, and maintains the Township's roads and cemeteries.

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. 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 to be accounted for in another fund.

Special Revenue Fund

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:

Gasoline Tax Fund - This fund receives gasoline tax money for construction, maintaining, and repairing township roads.

Road and Bridge Fund - This fund receives property tax money for constructing, maintaining and repairing Township roads and bridges.

Fire District Fund - This fund receives real estate tax, tangible personal property tax, and homestead and rollback tax money for the protection from fire hazards within the Township.

Road District Fund - This fund receives real estate tax, tangible personal property tax, and homestead and rollback tax money for the maintenance and upkeep of the Township roads.

**SALTCREEK TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting

Capital Project Fund

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Township had the following significant capital project fund

State Issue Two Fund- This fund is used to account for the Ohio Public Works for Road Construction in the Township. Even though the money does not pass through the Township, the transactions are recorded as a memo receipt and expenditures in the accounting records of the Township

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 money earned on the balance in the fund and any additional donations or bequests. The fund is restricted on its expenditures to the interest earned.

D. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function and 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.

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.

Encumbrances

Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

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

**SALTCREEK TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 and investments pool used by all funds except the non-expendable trust fund. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

| | <u>2000</u> | <u>1999</u> |
|-------------------------|------------------|------------------|
| Demand deposits | \$281,422 | \$177,468 |
| Certificates of Deposit | <u>19,421</u> | <u>19,421</u> |
| Total deposits | <u>\$300,843</u> | <u>\$196,889</u> |

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by securities specifically pledged by the financial institution to the Township.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2000 and December 31, 1999 follows:

| 2000 Budgeted vs. Actual Receipts | | | |
|--|----------------------|--------------------|--------------------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$ 104,830 | \$ 152,528 | \$ 47,698 |
| Special Revenue | 361,276 | 252,442 | (108,834) |
| Capital Projects | 979 | 0 | (979) |
| Non Expendable Trust | <u>19,421</u> | <u>0</u> | <u>(19,421)</u> |
| Total | <u>\$ 486,506</u> | <u>\$ 404,970</u> | <u>\$ (81,536)</u> |

| 2000 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|--|----------------------------|---------------------------|-------------------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$ 104,830 | \$ 57,223 | \$ 47,607 |
| Special Revenue | 361,276 | 243,793 | 117,483 |
| Capital Projects | <u>979</u> | <u>0</u> | <u>979</u> |
| Total | <u>\$ 467,085</u> | <u>\$ 301,016</u> | <u>\$ 166,069</u> |

**SALTCREEK TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

| 1999 Budgeted vs. Actual Receipts | | | |
|--|----------------------|--------------------|----------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$ 69,899 | \$ 71,852 | \$ 1,953 |
| Special Revenue | 237,871 | 238,374 | 503 |
| Total | \$ 307,770 | \$ 310,226 | \$ 2,456 |

| 1999 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|--|----------------------------|---------------------------|------------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$ 81,477 | \$ 53,427 | \$ 28,050 |
| Special Revenue | 360,050 | 240,002 | 120,048 |
| Capital Projects | 979 | 0 | 979 |
| Total | \$ 442,506 | \$ 293,429 | \$ 149,077 |

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Township Council. 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.

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.

5. DEBT

Debt outstanding at December 31, 2000 was as follows:

| | Principal | Interest Rate |
|---------------------------------|-----------|------------------|
| Equipment Note - Oak Hills Bank | \$15,103 | 5.939% |
| Total | \$ 15,103 | |

**SALTCREEK TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

5. DEBT (Continued)

The Township issued a Note on August 19, 1999 in the amount of \$42,189 for the purchase of a backhoe to be used for township purposes . The Note agreement requires the Township to make monthly installments of \$988 which includes interest, over 4 years. The Township has made payments in excess of the amount required under this agreement and consequently has reduced its principal balance substantially by December 31, 2000. The Note is collateralized by tax receipts.

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

| Year Ending December 31: | Equipment Note |
|-----------------------------|------------------|
| 2001 | \$ 11,857 |
| 2002 | <u>3,246</u> |
| Total | <u>\$ 15,103</u> |

6. RETIREMENT SYSTEMS

The Township's full and part-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is cost-sharing, multiple-employer plans. These plans provide 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 2000 and 1999, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for 1999 and 10.84% for 2000. The Township has paid all contributions required through December 31, 2000.

7. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Public officials liability

8. CONTINGENT LIABILITY

Amounts received from grantor agencies are subject to audit and adjustment by the grantor. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material

**SALTCREEK TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

9. SUBSEQUENT EVENTS

The Township issued a Note in 1999 in the amount of \$42,189. The Township retired the remaining principal and interest outstanding at December 31, 2000, \$15,103, by making a payment to the holder(s) in January, 2001.



**STATE OF OHIO
OFFICE OF THE AUDITOR**

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED
BY GOVERNMENT AUDITING STANDARDS**

Saltcreek Township
Pickaway County
13138 State Route 56
Kingston, Ohio 45644

To the Board of Trustees

We have audited the accompanying financial statements of the Saltcreek Township, Pickaway County, Ohio (the Township), as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated January 29, 2001. 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 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 instance of noncompliance that is required to be reported under *Government Auditing Standards*. However, we noted an immaterial instance of noncompliance that we have reported to management of the Township in a separate letter dated January 29, 2001.

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 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 January 29, 2001.

Saltcreek Township
Pickaway County
Report 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.

JIM PETRO
Auditor of State

January 29, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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SALTCREEK TOWNSHIP

PICKAWAY 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
MARCH 29, 2001**