



**SCIOTO TOWNSHIP
ROSS COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**SCIOTO TOWNSHIP
ROSS COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types For the Year Ended December 31, 1999	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balance – Non Expendable Trust Fund For the Year Ended December 31, 1999	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types For the Year Ended December 31, 1998	5
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balance – Non Expendable Trust Fund For the Year Ended December 31, 1998	6
Notes to the Financial Statements	7
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	13

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**STATE OF OHIO
OFFICE OF THE AUDITOR**

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REPORT OF INDEPENDENT ACCOUNTANTS

Board of Trustees
Scioto Township
Ross County
PO Box 1975
164 South Watt Street
Chillicothe, Ohio 45601

We have audited the accompanying financial statements of Scioto Township, Ross 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 audits.

We conducted our audits 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 audits 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 audits provide 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 and reserves for encumbrances of Scioto Township, Ross County, Ohio 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 July 5, 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 the 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

July 5, 2000

**SCIOTO TOWNSHIP
ROSS 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>Debt Service</u>	
Cash Receipts:				
Taxes	\$90,887	\$379,963	\$25,872	\$496,722
Intergovernmental	80,605	156,141	0	236,746
Licenses, Permits, and Fees	0	65,570	0	65,570
Interest	23,182	2,800	0	25,982
Other Receipts	35,270	97,897	0	133,167
Total Cash Receipts	<u>229,944</u>	<u>702,371</u>	<u>25,872</u>	<u>958,187</u>
Cash Disbursements:				
Current:				
General Government	191,128	0	0	191,128
Public Safety	0	104,303	0	104,303
Public Works	0	156,268	0	156,268
Health	0	243,759	0	243,759
Conservation - Recreation	4,554	0	0	4,554
Debt Service:				
Bond Principal Payment	0	0	24,319	24,319
Interest and Fiscal Charges	0	0	1,388	1,388
Capital Outlay	5,535	311,368	0	316,903
Total Cash Disbursements	<u>201,217</u>	<u>815,698</u>	<u>25,707</u>	<u>1,042,622</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>28,727</u>	<u>(113,327)</u>	<u>165</u>	<u>(84,435)</u>
Other Financing Receipts/(Disbursements):				
Proceeds from Sale of Public Debt:				
Sale of Notes	0	137,000	0	137,000
Sale of Equipment	0	11,585	0	11,585
Total Other Financing Receipts/(Disbursements)	<u>0</u>	<u>148,585</u>	<u>0</u>	<u>148,585</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>28,727</u>	<u>35,258</u>	<u>165</u>	<u>64,150</u>
Fund Cash Balances, January 1, 1999	<u>223,340</u>	<u>382,251</u>	<u>0</u>	<u>605,591</u>
Fund Cash Balances, December 31, 1999	<u>\$252,067</u>	<u>\$417,509</u>	<u>\$165</u>	<u>\$669,741</u>

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

SCIOTO TOWNSHIP
ROSS COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
NON EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Non Expendable Trust</u>
Cash Receipts:	
Interest	\$736
Fund Cash Balances, January 1, 1999	<u>17,940</u>
Fund Cash Balances, December 31, 1999	<u><u>\$18,676</u></u>

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

**SCIOTO TOWNSHIP
ROSS COUNTY**

**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>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash Receipts:				
Taxes	\$85,765	\$402,023	\$27,248	\$515,036
Intergovernmental	133,424	174,789	0	308,213
Licenses, Permits, and Fees	0	63,405	0	63,405
Interest	21,631	2,664	0	24,295
Other Receipts	54,188	100,245	0	154,433
	<u>295,008</u>	<u>743,126</u>	<u>27,248</u>	<u>1,065,382</u>
Cash Disbursements:				
Current:				
General Government	182,632	40,856	0	223,488
Public Safety	0	108,857	0	108,857
Public Works	0	189,479	0	189,479
Health	730	225,421	0	226,151
Conservation - Recreation	1,856	0	0	1,856
Debt Service:				
Bond Principal Payment	0	0	27,271	27,271
Capital Outlay	571	112,264	0	112,835
	<u>185,789</u>	<u>676,877</u>	<u>27,271</u>	<u>889,937</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>109,219</u>	<u>66,249</u>	<u>(23)</u>	<u>175,445</u>
Other Financing Receipts/(Disbursements):				
Sale of Fixed Assets	0	3,750	0	3,750
	<u>0</u>	<u>3,750</u>	<u>0</u>	<u>3,750</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	109,219	69,999	(23)	179,195
Fund Cash Balances, January 1, 1998	114,121	312,252	23	426,396
Fund Cash Balances, December 31, 1998	<u>\$223,340</u>	<u>\$382,251</u>	<u>\$0</u>	<u>\$605,591</u>
Reserve for Encumbrances, December 31, 1998	<u>\$149</u>	<u>\$1,921</u>	<u>\$0</u>	<u>\$2,070</u>

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

**SCIOTO TOWNSHIP
ROSS COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
NON EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Non Expendable Trust</u>
Cash Receipts:	
Interest	\$729
Fund Cash Balances, January 1, 1998	<u>17,211</u>
Fund Cash Balances, December 31, 1998	<u><u>\$17,940</u></u>

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

**SCIOTO TOWNSHIP
ROSS COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Scioto Township, Ross 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 road and bridge maintenance, cemetery maintenance, fire protection 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

Repurchase agreements are valued at cost.

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:

Cemetery Fund - This fund receives tangible personal property tax and real estate tax money for the operation and maintenance of the cemeteries. The fund also receives monies from the sale of lots and fees for opening and closing grave sites.

Fire District Fund - This fund receives personal property tax and real estate tax for operating fire and emergency services within the Township.

**SCIOTO TOWNSHIP
ROSS COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. Debt Service Fund

The debt service fund is used to accumulate resources for the payment of note indebtedness.

4. Fiduciary Funds (Trust Fund)

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 fund

Cemetery Bequest Fund - This fund receives interest and donation monies for maintaining cemetery plots specified by the trust benefactor. The Township may expend the interest for the maintenance of the cemeteries. The Township may not expend the principal.

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 function 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.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) 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 carried forward to the subsequent fiscal year and need not be reappropriated.

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.

**SCIOTO TOWNSHIP
ROSS COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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	\$31,506	\$33,350
Repurchase Agreements	<u>656,911</u>	<u>590,181</u>
Total deposits and investments	<u>\$688,417</u>	<u>\$623,531</u>

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

Investments: Repurchase Agreements are held in book-entry form by the Federal Reserve, in the name of the Township's financial institution. The financial institution maintains records identifying the Township as owner of these securities.

3. BUDGETARY ACTIVITY

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

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$229,859	\$229,944	\$85
Special Revenue	713,961	850,956	136,995
Debt Service	25,872	25,872	0
Fiduciary	<u>721</u>	<u>736</u>	<u>15</u>
Total	<u>\$970,413</u>	<u>\$1,107,508</u>	<u>\$137,095</u>

**SCIOTO TOWNSHIP
ROSS COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$451,531	\$201,068	\$250,463
Special Revenue	1,055,789	813,777	242,012
Debt Service	25,872	25,707	165
Fiduciary	18,661	0	18,661
Total	<u>\$1,551,853</u>	<u>\$1,040,552</u>	<u>\$511,301</u>

1998 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$186,962	\$299,021	\$112,059
Special Revenue	653,364	748,164	94,800
Debt Service	32,468	27,248	(5,220)
Fiduciary	2,500	729	(1,771)
Total	<u>\$875,294</u>	<u>\$1,075,162</u>	<u>\$199,868</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$294,126	\$185,138	\$108,988
Special Revenue	890,976	676,868	214,108
Debt Service	33,528	27,271	6,257
Fiduciary	19,710	0	19,710
Total	<u>\$1,238,340</u>	<u>\$889,277</u>	<u>\$349,063</u>

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.

**SCIOTO TOWNSHIP
ROSS COUNTY**

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

4. PROPERTY TAX (Continued)

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, 1999 was as follows:

	Principal	Interest Rate
Vehicle Acquisition Note	\$133,750	5%

The Vehicle Acquisition Note was issued to finance the purchase of a new fire truck to be used for Township's fire department.

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

Year ending December 31:	Vehicle Acquisition Note
2000	\$24,335
2001	23,761
2002	22,813
2003	21,865
2004	20,927
2005-2007	57,063
Total	\$170,764

6. RETIREMENT SYSTEMS

The Township's full time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS are 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 1999 and 1998, members of 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.

**SCIOTO TOWNSHIP
ROSS COUNTY**

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

7. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions
- Crime
- Blanket Bond

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***

Board of Trustees
Scioto Township
Ross County
PO Box 1975
164 South Watt Street
Chillicothe, Ohio 45601

We have audited the accompanying financial statements of Scioto Township, Ross 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 July 5, 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 audits 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 July 5, 2000.

Internal Control Over Financial Reporting

In planning and performing our audits, 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 operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Township in a separate letter dated July 5, 2000.

Scioto Township
Ross 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 the 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", written in a cursive style.

JIM PETRO
Auditor of State

July 5, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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SCIOTO TOWNSHIP

ROSS 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 24, 2000**