



**SCIOTO TOWNSHIP
PICKAWAY COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999 - 1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**SCIOTO TOWNSHIP
PICKAWAY 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
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types For the Year Ended December 31, 1998	4
Notes to the Financial Statements	5
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	11

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STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

35 North Fourth Street
Columbus, Ohio 43215
Telephone 614-466-3402
800-443-9275
Facsimile 614-728-7199
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Board of Trustees
Scioto Township
Pickaway County
6752 State Route 762
P.O. Box 40
Commercial Point, Ohio 43116

We have audited the accompanying financial statements of Scioto Township, Pickaway 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 and reserves for encumbrances of the 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 May 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 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

May 20, 2000

**SCIOTO 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>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Local Taxes	\$41,304	\$301,007	\$0	\$0	\$342,311
Intergovernmental	72,143	106,193	0	18,557	196,893
Charges for Services		404,884	0	0	404,884
Licenses, Permits, and Fees	5,319	13,658	0	0	18,977
Interest	16,204	1,336	0	0	17,540
Other Revenue	282	18,252	0	2,850	21,384
	<u>135,252</u>	<u>845,330</u>	<u>0</u>	<u>21,407</u>	<u>1,001,989</u>
Total Cash Receipts					
	<u>135,252</u>	<u>845,330</u>	<u>0</u>	<u>21,407</u>	<u>1,001,989</u>
Cash Disbursements:					
Current:					
General Government	62,934	6,706	0	0	69,640
Public Safety	0	533,288	0	0	533,288
Public Works	0	127,418	0	0	127,418
Health	8,297	3,591	0	0	11,888
Debt Service:					
Redemption of Principal	86,000	0	0	0	86,000
Interest and Fiscal Charges	6,919	7,052	0	1,000	14,971
Capital Outlay	14,085	261,319	0	21,067	296,471
	<u>178,235</u>	<u>939,374</u>	<u>0</u>	<u>22,067</u>	<u>1,139,676</u>
Total Cash Disbursements					
	<u>178,235</u>	<u>939,374</u>	<u>0</u>	<u>22,067</u>	<u>1,139,676</u>
Total Receipts Over/(Under) Disbursements	<u>(42,983)</u>	<u>(94,044)</u>	<u>0</u>	<u>(660)</u>	<u>(137,687)</u>
Other Financing Receipts/(Disbursements):					
Proceeds from Sale of Public Debt:					
Sale of Notes	0	119,702	0	0	119,702
	<u>0</u>	<u>119,702</u>	<u>0</u>	<u>0</u>	<u>119,702</u>
Total Other Financing Receipts/(Disbursements)					
	<u>0</u>	<u>119,702</u>	<u>0</u>	<u>0</u>	<u>119,702</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(42,983)</u>	<u>25,658</u>	<u>0</u>	<u>(660)</u>	<u>(17,985)</u>
Fund Cash Balances, January 1, 1999	<u>168,815</u>	<u>236,809</u>	<u>0</u>	<u>7,677</u>	<u>413,301</u>
Fund Cash Balances, December 31, 1999	<u>\$125,832</u>	<u>\$262,467</u>	<u>\$0</u>	<u>\$7,017</u>	<u>\$395,316</u>
Reserve for Encumbrances, December 31, 1999	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

**SCIOTO 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, 1998**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Local Taxes	\$29,976	\$224,590	\$29,500	\$0	\$284,066
Intergovernmental	159,609	98,196	0	251,169	508,974
Charges for Services	0	393,908	0	0	393,908
Licenses, Permits, and Fees	4,816	14,026	0	0	18,842
Interest	18,542	1,153	0	0	19,695
Other Revenue	9,598	18,865	0	3,550	32,013
Total Cash Receipts	<u>222,541</u>	<u>750,738</u>	<u>29,500</u>	<u>254,719</u>	<u>1,257,498</u>
Cash Disbursements:					
Current:					
General Government	60,679	6,721	0	0	67,400
Public Safety	0	500,155	0	0	500,155
Public Works	0	129,221	0	0	129,221
Health	6,160	4,301	0	0	10,461
Debt Service:					
Redemption of Principal	86,000	0	22,000	0	108,000
Interest and Fiscal Charges	862	0	7,500	0	8,362
Capital Outlay	10,112	95,392	0	310,306	415,810
Total Cash Disbursements	<u>163,813</u>	<u>735,790</u>	<u>29,500</u>	<u>310,306</u>	<u>1,239,409</u>
Total Receipts Over/(Under) Disbursements	<u>58,728</u>	<u>14,948</u>	<u>0</u>	<u>(55,587)</u>	<u>18,089</u>
Other Financing Receipts/(Disbursements):					
Sale of Fixed Assets	40,000	0	0	0	40,000
Total Other Financing Receipts/(Disbursements)	<u>40,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>40,000</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>98,728</u>	<u>14,948</u>	<u>0</u>	<u>(55,587)</u>	<u>58,089</u>
Fund Cash Balances, January 1, 1998	<u>70,087</u>	<u>221,861</u>	<u>0</u>	<u>63,264</u>	<u>355,212</u>
Fund Cash Balances, December 31, 1998	<u>\$168,815</u>	<u>\$236,809</u>	<u>\$0</u>	<u>\$7,677</u>	<u>\$413,301</u>
Reserve for Encumbrances, December 31, 1998	<u>\$7,793</u>	<u>\$73,828</u>	<u>\$0</u>	<u>\$0</u>	<u>\$81,621</u>

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

**SCIOTO TOWNSHIP
PICKAWAY COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Scioto 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 road maintenance and repair, 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

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.

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 and Emergency Levy Fund - This fund accumulates tax levy and charges for services receipts for the provision of fire protection services to the Township and contracting governments.

**SCIOTO TOWNSHIP
PICKAWAY COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

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

Motor Vehicle License Tax Fund - This fund receives tax money for constructing, maintaining and repairing Township roads.

3. Debt Service Fund

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

4. Capital Project Fund

This fund is used to accumulate and account for the monies to finance the building of the Township hall.

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, 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.

2. 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.

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 re-appropriated in the subsequent year.

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

**SCIOTO TOWNSHIP
PICKAWAY COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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	\$385,316	\$403,301
Certificates of deposit	<u>10,000</u>	<u>10,000</u>
Total deposits	<u>\$395,316</u>	<u>\$413,301</u>

Deposits: Deposits are either insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending 1999 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$122,130	\$135,252	\$13,122
Special Revenue	878,543	965,032	86,489
Capital Projects	<u>21,209</u>	<u>21,407</u>	<u>198</u>
Total	<u>\$1,021,882</u>	<u>\$1,121,691</u>	<u>\$99,809</u>

**SCIOTO TOWNSHIP
PICKAWAY 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	\$199,800	\$178,235	\$21,565
Special Revenue	960,227	939,374	20,853
Capital Projects	28,557	22,067	6,490
Total	<u>\$1,188,584</u>	<u>\$1,139,676</u>	<u>\$48,908</u>

1998 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$212,623	\$262,541	\$49,918
Special Revenue	736,200	750,738	14,538
Debt Service	29,500	29,500	0
Capital Projects	277,925	254,719	(23,206)
Total	<u>\$1,256,248</u>	<u>\$1,297,498</u>	<u>\$41,250</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$191,362	\$171,606	\$19,756
Special Revenue	854,433	809,618	44,815
Debt Service	29,500	29,500	0
Capital Projects	340,350	310,306	30,044
Total	<u>\$1,415,645</u>	<u>\$1,321,030</u>	<u>\$94,615</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.

**SCIOTO TOWNSHIP
PICKAWAY 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
General Obligation Notes for the construction of a Township hall	\$172,000	from 4.52 to 5.10%
Notes for Fire Truck Purchase	<u>\$119,702</u>	from 4.52 to 5.10%
Total	<u>\$291,702</u>	

This debt consists of a series of general obligation notes issued for the construction of a Township hall in 1998 and for the purchase of a fire truck in 1999. They were issued and scheduled to be repaid sequentially over a nine year period.

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

Year ending December 31:	General Obligation Notes
2000	\$28,701
2001	27,938
2002	27,175
2003	69,411
2004	66,671
Subsequent	<u>140,394</u>
Total	<u><u>\$360,290</u></u>

**SCIOTO TOWNSHIP
PICKAWAY COUNTY**

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

6. RETIREMENT SYSTEMS

The Township's certified Fire Fighters belong to the Police and Firemen's Disability and Pension Funds (PFDPF). Other employees belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including post-retirement 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 PFDPF contributed 10% of their wages to the PFDPF. The Township contributed an amount equal to 24% of their wages. 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 is a member of the Ohio Township Association Risk Management Authority (OTARMA). OTARMA assumes the risk of loss up to the limits of the Township's policy. OTARMA may assess supplemental premiums. The following risks are covered by OTARMA:

- General liability and casualty
- Vehicle
- Computer hardware and software

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

8. CONTINGENT LIABILITIES

The Township is defendant in a lawsuit. Although the outcome of this suit is not presently determinable, management believes that the resolution of this matters will not materially adversely affect the Township's financial condition.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

35 North Fourth Street
Columbus, Ohio 43215
Telephone 614-466-3402
800-443-9275
Facsimile 614-728-7199
www.auditor.state.oh.us

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

Board of Trustees
Scioto Township
Pickaway County
6752 State Route 762
P.O. Box 40
Commercial Point, Ohio 43116

We have audited the accompanying financial statements of Scioto Township, Pickaway 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 May 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 May 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 another 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 May 20, 2000.

Scioto Township
Pickaway 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", with a large loop at the end of the name.

JIM PETRO
Auditor of State

May 20, 2000



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

SCIOTO 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
JULY 6, 2000**